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EVALUATION OF THE PROGRAMME OF TECHNICAL COOPERATION ACTIVITIES ON COMPETITION LAW AND POLICY

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EXECUTIVE SUMMARY

The UNCTAD technical cooperation programme on competition law and policy provides training and advice to assist developing countries in formulating and implementing national competition legislation. The attainment of the programme objectives has been facilitated by the favourable perception of UNCTAD by the developing countries; the expertise of the secretariat in both the practical and theoretical aspects; their special knowledge of developing economies in Africa, Latin America and parts of Asia; their knowledge of competition and consumer protection legislation in both developed and developing nations; and the use of foreign experts from both developed and developing countries. In general, the programme has performed well in recent years, in the face of an increasing number of requests for assistance. Most recipient countries contacted during the evaluation stated that the missions had met their expectations. Moreover, the evidence suggests that the national seminars and advisory missions have had a favourable impact on increasing awareness of the importance of competition and on capacity-building, including through the establishment of independent competition authorities in some countries. The recommendations contained in this report are intended to ensure that the programme reflects the changing priorities of the developing countries for the various forms of technical assistance. Training and advice on setting up a competition authority are now among the most sought-after forms of assistance.

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Introduction

1. The UNCTAD technical cooperation programme on competition law and policy provides training and advice to assist developing countries in formulating and enforcing national competition legislation. It is designed to build national capacity in developing countries so that restrictive business practices and the concentration of economic power do not impede economic development or the social welfare of consumers. A further aim is to help representatives of developing countries participate more effectively in multilateral discussions on such issues as a possible international framework for competition policy and the relationship between trade and competition policy.

2. At its thirty-second session, the Working Party on the Medium-term Plan and the Programme Budget "decided that an in-depth evaluation of the competition law and policy Programme be considered at the next session of the Working Party in 1999 dealing with technical cooperation". The evaluation has been conducted by an independent consultant with extensive experience in both the activities of competition authorities and the concerns of end-users. The Programme, Planning and Assessment Unit of UNCTAD was to provide methodological guidance. The terms of reference for the evaluation are reproduced in Annex I.

3. The study was conducted during the period March to June 1999. In order to assess the performance of the technical cooperation activities provided by UNCTAD, face-to-face interviews were arranged with government officials and senior members of the competition authorities in both developed and developing countries. Opinions were also sought from officers in international organizations with an interest or involvement in competition law and policy. In addition, discussions were held with UNCTAD staff and with a number of missions based in Geneva. A list of the persons or organizations consulted may be found in Annex II.

4. To supplement the information obtained through the interviews, questionnaires were sent to all the countries which are members of UNCTAD. One questionnaire was designed for officials of developed countries with some knowledge of UNCTAD's technical cooperation activities in this area. Another was directed to officials in developing countries which were actual or potential beneficiaries of the technical assistance. Copies of both questionnaires and a summary of the responses may be found in Annex III.

5. The evaluation also took account of the published papers prepared by the UNCTAD secretariat. These included the reviews of technical assistance activities submitted to the annual meetings of the Intergovernmental Group of Experts on Competition Law and Policy; analytical studies dealing with economic aspects of restrictive business practices; practical information papers outlining the basic features of restrictive business practices; commentaries on a possible model law

on restrictive business practices; and the reports of regional seminars organized by UNCTAD. The written contributions on competition policy prepared by UNCTAD for inclusion in UNCTAD's *World Investment Reports* were also examined.

6. Finally, in conducting this evaluation, the independent consultant was able to draw on his personal experience of UNCTAD technical cooperation activities in two respects: as an invited speaker at a few of the national or regional seminars on competition law and policy organized by UNCTAD; and as a consultant recently involved in the process of drafting or commenting on the competition or consumer protection laws in several developing countries.

I. BACKGROUND AND OVERVIEW OF THE PROGRAMME

A. "The Set"

7. In December 1980, the General Assembly of the United Nations adopted a voluntary code of conduct on competition: the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices ("the Set"). In the Set it was envisaged that UNCTAD and other relevant organizations of the United Nations system, in conjunction with UNCTAD, would implement or facilitate technical assistance, advisory and training programmes on restrictive business practices, particularly for developing countries

8. The detailed provisions of the Set indicated that, *inter alia,* experts should be made available to assist developing countries, at their request, in formulating or improving restrictive business practices legislation. Seminars, courses and training programmes should be held, primarily in developing countries, to train officials likely to be involved in administering such legislation.

9. The Set also proposed that arrangements be made to allow the exchange of personnel between restrictive business practice authorities. Documents and other information about restrictive business practices should be collected and disseminated, particularly among developing countries, and a handbook on restrictive business practices legislation compiled.

10. Further provisions of the Set were that international conferences on restrictive business practices legislation and policy should be arranged, as should seminars on such topics, to allow an exchange of views among persons in the public and private sectors.

11. In the period of almost 19 years since the Set was first adopted by the General Assembly, UNCTAD has pursued each of the activities just described. In doing so, it has also taken account of the resolutions passed at subsequent United Nations conferences in 1985, 1990 and 1995 which reviewed all aspects of the Set.

12. The work programme of the UNCTAD secretariat has been monitored regularly by an Intergovernmental Group of Experts, which was established as part of the Set and has met every year since 1981. The Group was originally named the Intergovernmental Group of Experts on Restrictive Business Practices but was renamed the Intergovernmental Group of Experts on Competition Law and Policy in 1997.

B. Current technical cooperation activities in the field of competition law and policy

13. The current UNCTAD work programme in this area reflects the requests received, the needs of the countries concerned and the resources available. In the past three or four years, in particular, the requests for technical assistance from developing countries and countries in transition, have increased substantially - outstripping the growth in available resources and leaving a backlog of requests which could not be met, at least for some time.

14. One reason for the increasing number of requests is that more developing countries are planning to introduce competition/consumer protection legislation for the first time, while many others, with such legislation already in place, still require assistance to ensure that the law is properly enforced. In many ways the effective implementation of the law is more demanding of resources than the initial drafting of the legislation. The former necessitates the training of investigators; the establishment of a suitably structured competition authority; seminars and workshops for its members and for the judiciary; and the preparation of practical guidelines for business on conduct and agreements that could be at risk of transgressing the law.

15. According to the latest progress report on UNCTAD technical cooperation presented to the Intergovernmental Group of Experts in June 1999, the main types of technical cooperation activities carried out by the secretariat are:

(a) The provision of information on restrictive business practices, their existence and possible adverse effects on the economy;

(b) Introductory seminars directed at a wide audience, including government officials and academics, as well as business and consumer-oriented circles;

(c) Assistance to States in drafting competition legislation;

(d) Advisory services for the setting-up of a competition authority, including the training of relevant personnel;

(e) Organization of seminars in which States that already have competition legislation can consult one another on specific cases and exchange information; and

(f) Assistance to States seeking expert advice from other competition authorities in order to amend their competition laws in the most effective manner.

16. To gain a quantitative impression of the technical assistance provided by UNCTAD, it is useful to classify these activities into four broad categories, namely, national seminars, national advisory missions, regional and subregional seminars, and international conferences.

17. In the past five years, (i.e., 1994 to 1998 inclusive) national seminars were conducted by UNCTAD in 22 developing countries or countries in transition. As two national seminars or symposiums were held during this period in both Malaysia and Malawi, a total of 24 national seminars were involved altogether. These seminars had a wide geographical spread, including countries in Africa, Asia, and Latin America and the Caribbean.

18. Fifteen national advisory missions were undertaken during the same period, with about half of these representing a follow-up to an earlier national seminar in the same country. These figures relate only to overseas missions involving UNCTAD secretariat members and/or foreign experts. They do not include the significant number of instances where the secretariat in Geneva has been asked by government officials in a developing country to provide brief oral or written comments on the country's draft competition legislation.

19. Overall, some 30 developing countries benefited from a national seminar or an advisory mission from UNCTAD during the five-year period. Foreign experts were involved in the great majority of these missions, either as speakers at the seminars or as consultants on the drafting or implementation of competition laws. These experts came from 14 different countries with experience in competition law and policy. Some were from developing countries.

20. UNCTAD was also the organizer or joint organizer of 11 regional and subregional seminars and workshops on competition and consumer protection between 1994 and 1998. Of these, five were held in African countries, while others were held for Arab countries, for countries in the South Pacific Forum, as well as for nations in the Caribbean, Latin America and parts of Asia. Usually at least six developing countries were represented at each of these seminars and workshops.

21. Members of the UNCTAD secretariat also participate each year in a number of international conferences on restrictive business practices, making substantive presentations or taking part in discussions. Not all of these conferences take place in developing countries, but

they are of indirect benefit to the technical cooperation programme because they enable secretariat members to keep up to date with developments in the economic analysis of restrictive business practices; to exchange views on particular cases with the competition authorities of both developed and developing countries; and to facilitate closer cooperation with other international organisations providing technical assistance on competition law and policy (e.g. the World Bank and the Organization for Economic Cooperation and Development (OECD).

C. Resources and funding

22. Taking into account the number of national seminars and advisory missions undertaken, as well as the number of regional and subregional seminars organized by the secretariat, UNCTAD has been able to carry out a total of 11 or 12 such activities in developing countries in each of the past three years. While the use of foreign experts and cooperation with other organizations, such as the German Foundation for Economic Development, has assisted in the attainment of this level of activity, it is apparent that further increases in activity cannot be expected, given the human and financial resources currently available for this aspect of UNCTAD's work.

23. At present, four persons in the UNCTAD secretariat have some involvement in the technical cooperation programme on competition law and policy. However, they have other responsibilities as well, including servicing the Intergovernmental Group of Experts on Competition Law and Policy, seeking external finance, organizing travel and employment arrangements for foreign experts, preparing analytical studies and information papers and responding to requests from Governments and competition authorities in developing countries. It is estimated by the Competition Law and Policy and Consumer Protection Section that on average, one quarter of their time is devoted directly to technical assistance, equivalent to the employment of only one full-time person.

24. In practice, of course, it would not be feasible to have one person working full-time on technical assistance. It will always be necessary to have a senior member of staff in Geneva to deal with requests when one or more of his senior colleagues is away on one of the frequent overseas missions.

25. As far as financial resources are concerned, the major contributions come from four sources. In order of importance these are the Netherlands, Norway, Germany and the United Nations Development Programme (UNDP). Increased funding from 1994 onwards enabled greater use to be made of foreign experts and permitted more national and regional seminars to be conducted each year.

II. EVALUATION

A. Appropriateness of the concepts and design

26. When the General Assembly adopted "the Set" in 1980, it stated that the objectives were (in summary):

(a) To ensure that restrictive business practices do not impede or negate the realization of the benefits that should arise from the liberalization of tariff and non-tariff barriers affecting world trade, particularly those affecting the trade and development of developing countries;

(b) To attain greater efficiency in international trade and development, particularly that of developing countries;

(c) To protect and promote social welfare in general, and, in particular the interests of consumers in both developed and developing countries; and

(d) To eliminate the disadvantages to trade and development which may result from the restrictive business practices of transnational corporations (TNCs) or other enterprises.

27. These objectives are at the heart of the technical cooperation activities of UNCTAD in the area of competition law and policy. But there are now added reasons why such activities are necessary and important. Not only has international trade been liberalized through tariff reductions and the elimination of many non-tariff barriers, but flows of foreign direct investment (FDI) to developing countries have increased and more and more Governments have elected to privatize business enterprises that were formerly in public ownership. In the absence of effective competition laws and policies, the potential benefits of freer trade, globalization and privatization are unlikely to be realized in developing countries. This is because, in those circumstances, enterprises with market power, including transnational corporations (TNCs), would often be able to avoid the threat of competition and the consequent pressure to improve their efficiency.

28. Expectations have been built up that less government intervention and greater reliance on market forces will bring benefits to consumers through lower prices, improvements in product quality, and more rapid technological advances. Such benefits cannot be gained if restrictive business practices are pervasive. Moreover, the anticipated advantages of privatization will largely be lost if publicly owned monopolies are replaced by private monopolies, insulated from competition.

29. These considerations clearly indicate that the concept of technical cooperation to assist developing countries and countries in transition to formulate and implement effective competition laws and policies is entirely appropriate, given the objectives of fostering efficient economic development, international trade, and social welfare that are referred to in the Set.

30. The process of technical cooperation can be initiated only after a request for assistance has been received from the Government of a developing country or from its competition authority. UNCTAD has no sanctions that it can apply to ensure that a developing country introduces competition or consumer protection legislation, nor can it insist on measures to implement these laws effectively once they are in place. The situation is rather different for the World Bank or the International Monetary Fund (IMF), for example, where the provision of loans or other financial assistance may sometimes be made contingent on measures to promote competition in the domestic market.

31. The design of the UNCTAD technical cooperation programme has several desirable features, which are generally appreciated by beneficiary countries. First, the national seminars, workshops and advisory missions take place in the individual developing countries, allowing a cross-section of government officials, business executives, academics and lawyers to participate in the discussions. Secondly, over time, the UNCTAD secretariat has been able to build up a network of established experts on restrictive business practices from both developed and developing countries, who can be called upon to present papers or offer advice in support of UNCTAD activities. Thirdly, the quality of the material presented by UNCTAD and the analytical skills that it brings are well regarded by recipient countries. Fourthly, it is recognized that UNCTAD is able to offer practical advice on the implementation of competition laws and not merely theoretical propositions about the likely effects of restrictive business practices.

32. There is no doubt that the receptivity of developing countries to UNCTAD's technical cooperation programme is heightened by their perceptions of the role of the institution as whole. It was apparent from the interviews held in developing countries and from their responses to the questionnaires that UNCTAD is viewed as the multilateral institution most likely to take account of the interests of developing countries and as a source of friendly unbiased advice.

33. However, the design of the technical cooperation programme was the subject of some criticism. A few respondents felt that discussion of actual case studies of restrictive business practices found in developing countries should figure more prominently on the agenda for seminars and workshops. It was also suggested that speakers at the seminars, particularly the foreign experts, should be briefed in advance about such matters as the industrial structure in the country concerned, its institutional framework, and any potential obstacles to the effective implementation

of competition laws. Such a briefing, it was argued, would enable the speakers to present more relevant material and answer questions from the audience more effectively.

34. Other points made by recipient countries were as follows :

(a) The amount of advance notice of forthcoming regional or subregional seminars was sometimes inadequate, apparently because invitations were sent through normal diplomatic channels and not directly to those officials concerned with competition policy, who were the potential participants at the seminars; and

(b) Printed copies of papers presented at seminars (or summaries thereof) were not available in advance and sometimes not at all.

35. Attention to these matters would enhance the benefits of the programme. These additional benefits are likely to outweigh any additional resource costs that may be involved.

36. Some useful pointers to the types of UNCTAD activities on competition law and policy that would best suit the future needs and expectations of beneficiary countries were provided by the questionnaire responses. The training of personnel, including the training of investigative staff in the competition authority and seminars for the competition authority members, was regarded as a matter of high priority by most of the beneficiary countries that replied. Those developing countries that have not yet put competition or consumer protection laws in place were keen to have introductory seminars and general information about the adverse effects of restrictive business practices. For most respondents, the organization of regional or subregional seminars, permitting the exchange of views and information between competition officials of neighbouring countries, was regarded as a matter of lesser priority.

B. Factors impeding or facilitating the attainment of the programme objectives

37. Among the main factors that facilitate the attainment of the programme's objectives are the following: the favourable perception of UNCTAD by the developing countries; the expertise of the secretariat in the theoretical and empirical aspects of restrictive business practices; their special knowledge of developing economies in Africa, Latin America and parts of Asia; their cumulative knowledge and experience of competition and consumer protection legislation in both developed and developing countries; and their previous experience in advising the Governments of developing economies on competition policy.

38. According to those officials from the developing countries that replied to the questionnaire, the technical assistance provided to their countries by UNCTAD in the past had generally met the

objectives established at the time. Moreover, it was clear that follow-up activities by UNCTAD would be welcome. Indeed, a clear majority of the respondents who expressed a preference stated that UNCTAD was their preferred source of advice and assistance on competition laws and policy.

39. However, there are also some factors tending to impede progress in promoting competition in developing economies, even though it could be expected to lead to improvements in efficiency, more rapid economic development and greater social welfare. First, some Governments do not appear to assign high priority to the full implementation of the competition laws. While the competition authorities of most developed countries are generally independent statutory bodies, able to conduct their own investigations and publish their findings, this is not so common in the developing world.

40. Moreover, there is often a dearth of skilled personnel, and in particular of economists, lawyers and accountants able to undertake the tasks of investigating, analysing and prosecuting alleged breaches of the competition law. If and when a case goes before the courts, the judges may lack the necessary knowledge and experience to evaluate the more complex issues that are often involved in such cases.

41. Faced with these impediments, UNCTAD can assist in two principal ways: first by organizing seminars attended by a wide cross-section of the community, in order to stress the potential benefits of competition and consumer protection - in other words, to create the basis for a "competition culture", and secondly, by making arrangements for the training of those who will be involved in implementing the laws. This may be through short-term deployment of local personnel to competition authorities in developed countries, through the establishment of regional training centres (e.g. in Africa) or through the placement of a foreign expert in the developing country for a period of several weeks.

C. Impact of the programme

42. In seeking to assess the impact of UNCTAD's technical cooperation programme, it is useful to begin by noting some possible measures of the impact which should not be used. One is the number of developing countries and countries in transition which have received such assistance from UNCTAD, and the trend in that number over recent years. This is likely to be misleading, because the number of countries that were assisted in any period is not a reflection of the underlying demand but was largely determined by the human and financial resources that UNCTAD had available for this purpose. In any case, this measure has nothing to say about the outcome of providing the assistance, in particular whether it led to a more competitive environment in the recipient countries.

43. An alternative approach might be to ask how many developing countries have introduced laws to prevent restrictive business practices and to what extent that can be attributed to the advice and assistance provided by UNCTAD. A drawback to this approach is that, although the legislation may have been put in place, this will have little real impact on competition unless the law is being implemented effectively.

44 These considerations suggest that the clearest evidence that UNCTAD technical cooperation is having a favourable impact on competition is likely to be found when an adequately funded independent competition authority has been established, at least partly as a result of UNCTAD advice and assistance. Capacity-building of this kind should be a central objective of the technical cooperation programme.

45. At least nine developing countries, in Africa, Latin America, the Caribbean and the Indian subcontinent have established effective competition authorities in recent years, following their participation in UNCTAD seminars or hosting of an UNCTAD advisory mission. It is to be expected that several other countries which are about to introduce competition legislation for the first time (with UNCTAD assistance) will reach this stage over the course of the next few years.

46. Other evidence that the programme is having, or is likely to have, the desired impact on competition in developing countries may also be available. For example, the local business community often indicates its support for the introduction of competition legislation, recognizing that this is likely to result in lower costs of inputs, less costly intellectual property rights, or better access to the facilities controlled by natural monopolies (e.g. the telecommunications network and electricity transmission lines). UNCTAD seminars are helpful in pointing out these effects and thus contributing to the creation of a "competitive culture".

47. While an accurate measure of the overall impact of the programme is probably unattainable, there is sufficient evidence, from interviews in the developing countries and from comments provided on the questionnaires, to indicate that the programme is having a positive impact on competition both through its contribution to capacity-building and to the creation of a competitive culture.

48. Consider first those countries which have not yet passed laws on restrictive business practices or on consumer protection but which intend to do so in the near future. Interviews were held in, or questionnaires received from, seven countries in this category which had hosted a national seminar or advisory mission arranged by UNCTAD. Four of these countries volunteered the view that the seminar or mission had been effective in increasing community awareness of competition issues and was contributing to the creation of a competitive culture. The remaining three countries did not offer a view on this point.

49. Secondly, among the countries assisted by UNCTAD which already have competition and consumer protection legislation in place, at least nine have progressed to the stage where a competition authority has been established, capable of the effective implementation of up-to-date laws on restrictive business practices and consumer protection. As mentioned in paragraph 44 above, this provides a strong indication that, in those countries, technical assistance is having the desired impact of encouraging competition and thereby fostering economic development.

50. The potential impact of UNCTAD technical assistance in creating a competitive environment in a developing country does not come to an end with the establishment of an effective local competition authority. Assistance with further training of competition officials is likely to be required. Revisions to the legislation may be needed to keep up to date with changing business practices and developments in economic thinking. In recent years, UNCTAD has offered advice to countries such as Pakistan and Tunisia on necessary revisions to their competition laws. Such advice is more likely to gain government acceptance and have a favourable impact on competition when a local competition authority is there to act as an advocate for change.

D. Some lessons of experience

51. Although the programme has helped to build capacity in developing countries, there have been some disappointments. Arrangements made by UNCTAD for personnel from the developing country to work for a period in an established competition authority abroad have not always produced the desired results. This was attributed to a number of factors: some of those nominated were deficient in the necessary language skills, particularly in reading legal documents; some lacked a real commitment to the work; and some were moved to other posts (not involving competition issues) shortly after returning to their home country.

52. From the point of view of the host competition authority there are opportunity costs in such arrangements because of the need to supervise the work of the visitor and to explain the issues involved in the cases under consideration. In general, it was felt that the contribution to capacity-building was not commensurate with the costs involved.

53. Another lesson from experience is that effective implementation of competition and consumer protection laws is usually more difficult to achieve than the initial steps of gaining acceptance for the principle that such legislation is needed and then drafting the relevant bills for parliamentary approval. In some cases up to 10 years has elapsed between the first stage of the process and the establishment of the competition authority. Even then the competition authority may not be truly independent of government, as one would expect in a developed country. The implication of this is that UNCTAD must be prepared to assist individual developing countries over the long haul. It will usually require the services of a staff member or foreign expert who has

previously had direct involvement in a competition authority and is therefore familiar with the problems of implementing the law effectively.

54. Finally, experience indicates the great diversity in the needs of developing countries and in their understanding of the nature and effects of restrictive business practices. This means that national seminars and advisory missions need to be tailored to meet their individual requirements. Although it is useful to have a standard explanation of the principal features of "the model law", there also needs to be adequate opportunity for seminar participants to raise questions and discuss problems which may be unique to their situation.

E. The quality of material

1. Papers and publications

55. Officials in developing countries indicated that the material distributed at seminars organized by UNCTAD was useful for their purposes and of high standard.

56. Opinions were sought also from experts in restrictive business practices in some developed countries and international organizations regarding the quality of the analytical studies prepared by the UNCTAD secretariat and the commentaries on the model law, which are revised periodically.

57. The general opinion from this peer review was that the quality of such material had improved considerably over the past few years and was now comparable with that of similar studies prepared by the World Bank or OECD. However, it was pointed out that UNCTAD was employing cheaper printing methods and dispensing with covers for such publications, so that the appearance of the documents was inferior to that of the publications put out by these other organizations. It was suggested that this might lead to perceptions, however erroneous, that the UNCTAD documents were of less value.

2. The database and information available on the Internet

58. The Intergovernmental Group of Experts on competition law and policy has for some time been encouraging the UNCTAD secretariat to make more documents available on the Internet. Some progress has been made, with updated versions of the Directory of Competition Authorities and the Handbook on Competition Legislation now available in that form. However, several competition experts consulted in the course of this evaluation commented that more should be done to broaden the range of material available on the Internet and to ensure that it was updated frequently.

59. In particular, it was suggested that the following should be considered for inclusion : commonly asked questions and answers relating to restrictive business practices; selected case studies; lists of publications; major competition policy statements issued in developed and developing countries; and summaries of existing competition and consumer protection legislation. These are useful suggestions which should be explored further. If implemented, they would enhance the value of the services provided by UNCTAD at a relatively modest cost.

F. Relationship of the programme to other programmes

60. Several international organizations and many individual countries are currently providing technical assistance on competition law and policy to developing countries or countries in transition. Moreover, it is not uncommon for individual recipient countries to obtain such assistance from more than one source. This gives rise to concern in some quarters that there could be duplication of effort among the donors and a consequent waste of resources.

61. While this is a legitimate concern, the extent of the problem should not be exaggerated. For the most part, donor countries and organizations focus on particular geographical regions, limiting the likelihood of overlapping efforts. It is true that the countries of Eastern Europe and the Baltic States have captured the attention of a number of different donors in recent years, including, for example, the European Commission, Sweden, Finland and the United States. But this is partly the result of special circumstances, with several countries in that region seeking membership in the European Union.

62. In recent years, the geographical focus of UNCTAD's activities on competition law and policy has been on Africa, Asia and Latin America. Those interviewed in the course of this evaluation felt that in these regions, but particularly in Africa, UNCTAD had a comparative advantage in providing technical assistance, relative to such other bodies as the World Bank or OECD. Its comparative advantage derived from its previous work in the region, the standing of UNCTAD among developing countries, and the perception that the advice and assistance provided was of the highest quality.

63. It should also be recognized that there has been a good deal of cooperation in this area between UNCTAD, the World Bank and the World Trade Organization (WTO). Symposiums on competition policy and its impact on economic development and international trade have been arranged jointly by all three bodies. Two such joint symposiums were held in 1997-1998 and a third is planned for 1999-2000. These provide a useful supplement to the training provided through national seminars and national advisory missions, which are the centrepiece of UNCTAD's programme of technical cooperation activities.

64. Close cooperation between UNCTAD and the WTO on competition law and policy and its relationship to trade seems certain to continue, given the recent Singapore Ministerial Declaration which, among other things, urged such cooperation. It is also noteworthy that the Intergovernmental Group of Experts on Competition Law and Policy at its July 1998 meeting invited the Secretary-General of UNCTAD to continue cooperation with the WTO and other organizations working in the area of competition law and policy.

65. While these actions will go a long way towards eliminating the risk of duplication of effort in the provision of technical assistance in this area, some actual or potential donors would evidently like further assurance on this score before committing themselves to support UNCTAD initiatives.

66. It would not be sensible to draw strict demarcation lines, so that each country and multilateral organization has an exclusive right to provide technical assistance to only certain specified developing countries. However, it could be wise to prevail on Governments and multilateral organizations to exchange information on a regular basis, indicating what initiatives they are proposing and how and where they are allocating funds for such technical assistance. This alone would help to eliminate possible duplication of effort.

67. Within UNCTAD itself, there are evidently important links between the work of the Competition Law and Policy and Consumer Protection Section and the work of other sections dealing with trade, investment, innovation and the diffusion of technology, intellectual property rights and enterprise development. Restrictive business practices can retard trade, economic development, business investment, innovation, and the growth of small and medium-sized enterprises. Yet social welfare may not benefit from the implementation of laws designed to strengthen competition, unless there is also effective consumer protection legislation outlawing misleading advertising, the marketing of unsafe goods, pyramid selling and the like.

68. The importance of competition and consumer protection policies was emphasized at UNCTAD IX, held at Midrand, South Africa, in May 1995. The Midrand Declaration contained the following remarks: "There is a growing realization that anti-competitive practices can have a negative influence on trade opportunities arising from trade concessions and obligations. The challenge faced by developed and developing countries alike is to introduce effective national policies in this respect."

69. In order for UNCTAD to make a strong and effective contribution to the process of economic development and enhanced social welfare in the developing countries, it is essential that there be an integrated approach to policy development, recognizing the interrelationships between

competition policy and other facets of economic and social policy. This will require continued close collaboration between the relevant sections of the organization.

70. Moreover, the allocation of resources within UNCTAD should also reflect the increased importance now attached to competition policy by most developing countries.

G. Sustainability

71. The present UNCTAD team of four involved with technical cooperation on competition law and policy has the skills and experience to carry through the programme effectively, calling upon the services of foreign experts from both developed and developing countries, as required.

72. However, the existing resources, human and financial, are being stretched to accommodate the present level of activity on technical cooperation, given the other work for which the team members are responsible. This has some undesirable consequences. One is that the number of developing countries whose requests for technical assistance cannot be met is tending to increase over time. Secondly, too little time is available for the preparation of material in advance of an overseas mission and it is not always possible to provide copies of the papers delivered at national seminars. Thirdly, it is difficult for the team to find the time to expand the range of useful material available on the Internet and to keep this material up to date. Time pressures may also explain why some donor countries say they have not always received sufficient notice to enable them to meet UNCTAD requests for experts or financial resources for a particular project.

73. A further impending problem relates to the changing pattern of demand for technical assistance on competition law and policy. In the past, most developing countries that approached UNCTAD were interested in having an introductory seminar explaining the nature and effects of restrictive business practices. Many have now progressed beyond that stage and are seeking advisory missions to assist with the drafting of competition laws and the implementation of such legislation. Missions of this kind are more intensive in the use of resources than introductory seminars. They are less standardized and usually require that the expert(s) spend more time in the country concerned. The implication is that in the future more resources will be needed to satisfy requests from the same number of countries as in the past

74. As noted above (paras. 37 and 42), most developing countries have also indicated that the training of investigators and competition authority members is one of their highest priorities for technical assistance. But it is not feasible for the present team to provide this training themselves in addition to their other responsibilities. If it was decided to establish a training centre in Africa, for example (a preferred option for many African countries), it would be necessary to employ local

staff and visiting experts on a continuing basis. This would be feasible only if it could be financed from internal UNCTAD resources or if a donor country could be persuaded to enter into a long-term commitment to finance the project.

75. Against this background, what steps should be taken to ensure that the programme remains effective and sustainable over the next few years? One option might be to refuse requests for assistance from some developing countries which are now moving to implement competition legislation. This is probably the least desirable option. It would mean that technical assistance was denied at the stage where it was likely to have the most impact on competition and capacity-building. The benefits of an earlier introductory seminar might well be lost because of the lack of adequate follow-up. The replies to the questionnaire indicate that several developing countries are already expressing concern about that lack.

76. A second option would be to cut back on the number of introductory seminars offered each year to countries not previously in receipt of UNCTAD technical assistance. This has the obvious disadvantage that it could effectively delay the introduction of competition law and the creation of a competitive culture in some developing countries. The problem would probably be most acute in Africa, Latin America and parts of Asia since UNCTAD has special knowledge of local conditions in those regions that is not matched by other organizations providing technical assistance on competition law and policy.

77. A third option would be to limit the national introductory seminars held each year to about the present number (effectively precluding any extension of such activity to Eastern European countries or the Russian Federation), slightly reducing the number of regional seminars each year and seeking to accommodate almost all requests for assistance in implementing competition legislation. However, this level of activity could probably not be sustained without some additional resources from external and internal sources.

78. However, leaving aside for the moment the important issue of training, which is the subject of a specific recommendation below, the additional resource requirements would be quite small, making this a feasible and attractive option compared with the alternatives.

79. The additional internal resources would be needed to:

(a) Extend the data and information base on the Internet, and update it regularly;

(b) Write up case studies of particular relevance to developing countries to be circulated and used as the basis for discussion at seminars and workshops;

(c) Ensure that the outlines of the papers presented at national seminars are distributed, preferably in advance;

(d) Prepare detailed project proposals inviting external support for forthcoming UNCTAD activities (in the replies to the questionnaire used in the present evaluation several donor countries indicated they would be likely to provide more financial or other assistance to the programme if certain improvements in programme delivery were instituted and more advance notice provided);

(e) Allow members of the UNCTAD secretariat with specialized knowledge of competition law and policy to spend longer periods on advisory missions where this is necessary to ensure that the legislation will be implemented effectively.

It is estimated that these objectives could be achieved if the human resources available to the team were increased by three man-months per year.

H. Overall evaluation

80. In general, the UNCTAD programme on competition law and policy has performed well in recent years, in the face of an increasing number of requests for assistance from developing countries and countries in transition. The number of overseas missions carried out annually has risen and has now stabilized well above the levels of six years ago. With a few exceptions, the activities performed have fully met the expectations of the recipient countries. The publication of analytical studies, information papers and commentaries on the model law has continued, and most readers consider that the quality has improved. Cooperation with other organizations involved in competition policy has been stepped up and joint seminars and conferences have been arranged with the WTO, the World Bank and the German Foundation for International Development (DSE). Savings in cost and time have been achieved by arranging back-to-back seminars in countries in close proximity to one another and employing foreign experts from various parts of the world, rather than relying exclusively on European-based experts.

81. These improvements in performance were facilitated by increased funding from external sources. To maintain the current level of external funding or even increase it, donor countries and organizations will have to be satisfied that appropriate criteria are being used to select the projects to be undertaken; that there is minimal risk of duplication of effort by the various agencies providing technical assistance in this area; and that, as a result of UNCTAD cooperation, new competition laws are not only being drafted but are being implemented effectively.

82. Some weaknesses in programme delivery have come to light in the course of the evaluation. Too little time is made available at the introductory seminars for questions from the audience and for small-group discussions of case studies. Copies of papers or lecture notes are not always circulated. Foreign experts giving presentations at national seminars could be better briefed on the local economy, the institutional framework and the level of understanding of restrictive business practices by local officials.

83. It is also suggested that time planning could be improved. In particular, prospective donors need to be given more notice, so that the projects they are being asked to support can be given priority. The competition authorities in recipient countries should be given more advance notice of regional and subregional seminars to which they are invited.

84. Against this background of perceived strengths and weaknesses in the programme, the recommendations arising from this evaluation are set out below.

III. RECOMMENDATIONS

85. **Priority areas for technical assistance.** As more developing countries pass laws on competition and consumer protection and face the problem of implementing those laws effectively, their priorities for technical assistance are changing. The UNCTAD programme should reflect these changing priorities, as well as the lessons that can be learned from almost 20 years of experience with the Set. This means that increasing emphasis has to be placed on advising how best to establish an independent competition authority, assistance with the training of the authority's members and staff, and holding national seminars at which case studies and problems of implementing the law can be examined in depth.

86. The organization of national seminars aimed at developing countries which have not yet passed competition or consumer protection laws should continue to occupy a prominent place in the programme. These seminars can prove to be a valuable first step towards a national consensus on the need for competition legislation and the creation of a competitive culture.

87. Relatively less emphasis should be placed on large-scale regional seminars, except where they can be run in conjunction with small group workshops. It is difficult in the large seminars to focus on the specific practical problems of individual developing countries and to cater adequately for the varying interests, backgrounds and qualifications of the audience.

88. As indicated above (paras. 51 and 52), the arrangements made to allow personnel from developing countries to gain hands-on experience by working for a period in an established

competition authority have not always yielded the anticipated benefits. This type of arrangement should be given low priority, at least until possible alternative training opportunities have been fully investigated.

89. **Geographical spread of activities.** The programme already extends over a wide range of developing countries, mainly in Africa, Asia and Latin America. Further extension to other regions, such as Eastern Europe, the Baltic States and the Russian Federation, is not warranted at this stage, given the available resources; the need to provide follow-up assistance to countries that have taken the first steps towards introducing competition legislation; and the fact that other organizations are already providing technical assistance to countries in those regions.

90. **Criteria used for the selection of projects.** The criteria used to select countries and projects for assistance should be made more transparent. Donor countries may be more likely to provide financial and other resources if they believe the criteria are appropriate.

91. **Relationships with other related programmes.** The recent conferences on competition policy and its relationship to trade and development, organized jointly by the WTO, the World Bank and UNCTAD, have been helpful in increasing public awareness of the ways in which these arms of economic policy interact. Similar conferences should be held in the future. Moreover, the three organizations should inform one another regularly about the technical assistance they are proposing to provide to individual developing countries so that duplication of effort can be minimized.

92. Within UNCTAD itself, competition policy should be seen as an integral part of overall economic and social policy requiring close working links between the staff involved in the various policy-advising areas. Consistent policies must be designed with the object of maximizing the economic and social welfare of the individual developing countries. The interaction between policy measures must be recognized if this objective is to be achieved. For example, the adoption of policies aimed at fostering competition may act as an encouragement to FDI in the country concerned. At the same time, some forms of investment incentive, such as tariffs or non-tariff barriers, will tend to inhibit import competition and may eventually retard economic development.

93. **Training.** Given the high priority that the developing countries attach to training for the staff and members of their competition authorities, options for providing such training should be explored in detail and a report presented to the Intergovernmental Group of Experts on Competition Law and Policy. The feasibility of establishing a regional training centre for the African countries should be examined as one of the options.

94. **Material on the Internet.** Government officials and competition authority staff in developing countries would benefit if the range of data and other material on competition and consumer protection issues on the UNCTAD website was extended and updated. Frequently asked questions and answers, selected case studies, commentaries on the model law and summaries of relevant legislation should be considered for inclusion on the Internet.

95. **Reports on national seminars.** Summary reports of regional seminars are usually published. They provide a useful guide to the latest thinking on competition law and policy. While it may not be justified to publish reports on each national seminar, mainly because of the repetition likely to be involved, participants should be provided with an outline of the presentations by the principal speakers, preferably in advance of the seminar.

96. **Advance notice of seminars.** Invitations to participate in regional or subregional seminars are usually sent through normal diplomatic channels. It is apparent that they are often not received in good time by the relevant ministry or competition authority. To avoid this difficulty such invitations should be sent directly to the authority, with a copy sent to the country's representative in Geneva.

97. **The timing of requests for resources.** Requests to prospective donor countries for financial resources, training facilities or the services of experts on particular projects should be made well in advance. Donors indicate that the chances of being able to provide such assistance to UNCTAD are diminished when, as sometimes happens, too little notice is given.

98. **Requirements for internal staff.** To ensure that the programme is effective and sustainable in the face of increasing demands for technical assistance, a small increase in internal resources, equivalent to three man-months per year, will be needed for the specific purposes outlined in paragraph 79 above.

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EVALUATION OF THE PROGRAMME OF TECHNICAL COOPERATION ACTIVITIES ON COMPETITION LAW AND POLICY

ANNEXES

Annex I Terms of reference

Annex II Consultations undertaken

Annex III Questionnaires and a summary of responses

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Annex I

Terms of reference for the evaluation of the programme of technical cooperation activities on competition law and policy

A. Background

1. The UNCTAD programme on competition law and policy contributes to the implementation of the organization's mandate in this regard, as stipulated in "A Partnership for Growth and Development" of UNCTAD IX (TD/377) (paragraphs 91-(iii) and 97(ii)), according to which UNCTAD is to assist developing countries and economies in transition in the formulation of competition policies and legislation; engage in institution-building; focus on Africa by holding a regional meeting; create relevant inventories and databases; and establish a technical cooperation programme which should focus on supporting strategies in promoting national competition and consumer protection law and policy formulation. In this context, a set of technical cooperation projects have been developed jointly with bilateral donors and regional organizations on matters related to competition policy. These projects have been conceptualized on the basis of the complementarity of functions and capacities between UNCTAD, recipient countries and competition authorities of developed and developing countries and taking into account *inter alia* the encouragement given by the Singapore Ministerial Conference of the World Trade Organization to cooperation between it and UNCTAD, in particular with regard to the development dimension. These developments reflect the interest of both developing and developed countries in promoting competition law and policy and international cooperation in this area. Future multilateral discussions require that policy makers and negotiators are as familiar and informed as possible with key issues concerning the development dimension of competition policy as well as with key concepts likely to be considered in the context of international cooperation.

2. Against this background, the UNCTAD work programme on competition policy is designed to build national capacity in developing countries, through training and advice. With a view towards consensus-building, the objective of the programme is to assist developing countries in formulating and enforcing national competition legislation and to participate as effectively as possible in multilateral discussions, including those relating to a possible international framework on competition policy.

B. Output and activities

3. The objectives of UNCTAD's technical cooperation activities on competition policy have been pursued with a two-track process that encompasses (i) the preparation of a series of *briefing papers/notes* on key issues/concepts related to competition policy and its development implications; and (ii) informal consensus-building activities in the form of seminars, regional symposiums and other training activities, involving numerous policy makers from developing countries. The beneficiaries of the activities planned under this programme include policy makers (regional symposiums participants)

and delegates to UNCTAD and the WTO (Geneva seminars participants), as well as junior diplomats and possible negotiators from developing countries (participants in the training workshops).

C. Purpose and scope of the evaluation

4. The evaluation of the programme is meant to provide in-depth assessment of the performance of the technical cooperation activities in terms of (i) adequately addressing the needs and expectations of beneficiaries (end users, i.e. competition agency officials, consumers and government officials); (ii) adequately and coherently fulfilling the goals and objectives set out for the technical cooperation activities; and (iii) adequately utilizing the funds provided for these activities. Special attention will be given to the evaluation of the impact the programme had on the end users.

5. In particular, the evaluation will establish whether the implementation of technical cooperation projects:

(a) Adequately addresses the needs and expectations of beneficiaries by:

* Considering whether the technical cooperation programme's concepts and design were appropriate in achieving its overall objectives;
* Identifying factors which impeded or facilitated the achievements of the project's objectives; and
* Studying the results and the impact of the programme, taking into account the views of the beneficiaries, donors and cooperating institutions;

(b) Adequately and coherently fulfils the goals and objectives set out for these projects by:

* Reviewing the quality of the material produced within the framework of the projects;
* Recording any significant lessons that can be drawn from the experience of the projects undertaken as part of technical cooperation activities, paying particular attention to the potential impact on capacity-building at both the country and regional levels; and
* Examining the relationship between these projects and other related programmes (within UNCTAD and such regional organizations as Mercosur, APEC, etc.) with a view to outlining the desirable contours of the programme and creating synergies;

(c) Adequately utilizes the funds provided for these technical assistance projects by:

* Assessing the present capacity of the team in delivering the projects;
* Assessing the programme's sustainability within the resources available to it;
* Making recommendations (including estimates of resource requirements) with regard to the future implementation of technical cooperation activities.

6. In terms of identified outputs, the evaluation process will commence with the design of appropriate assessment tools for each activity that will benchmark actual performances against expected results. For the *training materials* these will include a readership survey, questionnaire and peer review process that would provide judgements concerning the quality of content, presentation, usefulness,

quality of reference and dissemination of each paper. For workshops and seminars, regional symposiums and training courses these will include evaluation questionnaires, independent observer participation and bilateral interviews with participants.

D. Evaluation team and reporting

7. The evaluation will be conducted by an independent consultant with extensive experience in the activities of competition authorities and the concerns of the end users. The Programme, Planning and Assessment Unit, Executive Direction and Management, will provide methodological guidance as well as the necessary backstopping to the consultant and will designate a focal point for this purpose. The consultant will be responsible for the preparation of the report and for its presentation to the Working Party at its September 1999 session.

8. The consultant will be expected to follow the programme's activities in progress during the first half of 1999 and to this effect will be kept informed throughout the course of work programme implementation, so as to collect the required data which will enable him/her to accomplish the tasks. In particular, the secretariat will make available to him/her information concerning major events (such as regional symposiums), documentation prepared (such as the *technical papers*), and feedback received from beneficiary countries (such as questionnaires). In addition, the secretariat will seek to arrange for the consultant's participation in some of the programme's activities, such as seminars and regional symposiums, so as to allow him/her to gather information in the field necessary for the evaluation.

Annex II

Consultations undertaken

1. In March 1999, shortly after the commencement of the evaluation, discussions were held in Geneva with a number of mission representatives from countries which were either donors to the UNCTAD technical cooperation programme on competition law and policy or were recipients (or potential recipients) of such assistance.

2. The mission representatives consulted were from Dominican Republic, Ecuador, Kenya, Morocco, the Netherlands, Thailand, Tunisia, and Ukraine.

3. On the same visit to Geneva, discussions were held with a number of senior UNCTAD staff members, including those working directly on competition law and policy.

4. During May and June 1999, visits were undertaken to Malaysia, Tunisia, Morocco and Germany for in-depth discussions with officials directly involved in the formulation or implementation of competition legislation in developing countries. In selecting the countries to be visited, two main considerations were taken into account. First, it was considered important to visit a number of recipient countries which were at different stages of devising and implementing competition laws, ranging from those which had not yet passed such legislation to those where a competition authority had been in place for some years.

5. Secondly, it was also important to interview individuals and organizations with first-hand knowledge of UNCTAD's technical assistance programme in this area, including experts who had presented papers at UNCTAD seminars and those who had been offered advice and assistance by the UNCTAD team.

6. In June also, further discussions were held in Geneva, principally with the WTO and UNCTAD staff members. A particular focus of these discussions was the scope for greater inter- and intra-organization cooperation and collaboration.

7. Apart from the face-to face discussions mentioned above, questionnaires were sent to each of the UNCTAD member States inviting comments on several aspects of UNCTAD's technical cooperation programme. Copies of the questionnaires can be found in Annex III, where there is also a brief summary of the responses received from the 31 respondents.

Annex III

A. Questionnaires

A simplified version of the two questionnaires is attached. Questionnaire A was intended for countries which have been *recipients or are potential recipients* of technical cooperation assistance in the area of competition law and policy involving UNCTAD. Questionnaire B was intended for countries which have *provided* technical assistance or advice to developing countries or countries in transition in the area of competition law and policy. Some countries were both recipients and providers of such technical assistance and accordingly were kindly requested to complete both questionnaires.

1. Questionnaire for recipient countries

The UNCTAD secretariat's programme on competition law and policy is currently being evaluated at the request of its governing body, which will review the report in September 1999.

The evaluation is being conducted by an independent consultant, Prof. B. Johns (Australia). As part of the study, the consultant wishes to ascertain the views of officials in capitals in charge of and/or familiar with competition law and policy and UNCTAD's work in this area. The attached questionnaire has been prepared for that purpose.

It would be appreciated if replies to the questionnaire could be submitted as soon as possible and not later than 30 April 1999 to the address indicated in the questionnaire.

1. Does your country currently have in place legislation relating to:
   Restrictive (anti-competitive) business practices
   Consumer protection/Fair trading
   Business concentration or market dominance

For the purposes of this questionnaire, all of the above are regarded as "competition laws".

2. If you have answered "No" to any part of Question 1, please indicate whether it is likely that legislation of that type will be introduced in the next few years.

3. In addition to UNCTAD, what other countries or organizations have provided advice or assistance in the formulation or implementation of your country's competition laws? Please tick the relevant boxes: World Bank; WTO; OECD; Individual OECD countries. Please name them. Individual developing countries. Please name them. Other organizations. Please name them.

4. Does your country have a preferred external source of advice and assistance on competition laws and policy? Please specify the preferred source and give the reasons for that preference.

5. The principal forms of technical assistance provided by UNCTAD in the area of competition law and policy are listed below:

In the first column of boxes (under the heading ASSISTANCE RECEIVED), please tick if your country has received that type of technical assistance from UNCTAD.

In the second column (under the heading ORDER OF IMPORTANCE) please rank (from 1 to 7, 1 being the most important) those forms of technical assistance which you consider will make the greatest contribution to the promotion of competition in your country at its present stage of development.

(a) The provision of general information about the incidence of restrictive business practices and their adverse effects (including the organization of introductory seminars on the subject for those countries which have no competition laws in place as yet);

(b) Assistance with the drafting of competition and consumer protection laws;

(c) Assistance with the setting up of a competition/consumer protection authority;

(d) Assistance with the preparation of guidelines for business, indicating how they can comply with the competition laws and defend certain restrictive business practices because of the benefits they bring to the community;

(e) The training of personnel, including the training of investigative staff of the competition authority and seminars for competition authority members;

(f) The organization of regional seminars to promote the exchange of ideas and information between countries in the region about restrictive business practices and consumer protection issues;

(g) The provision of continuing advice on the implementation of competition laws and on possible amendments to the legislation which may become necessary.

6. Please indicate the extent to which *each type of assistance received* (as indicated in the answer to Question 5) has met the objectives established at the time it was requested. Circle the appropriate number in the range.
0 - objectives not met
5 - objectives fully met

In those cases where the objectives of the project were not fully realized, please indicate the reasons below.

7. Your answer to Question 5 indicated the forms of technical assistance that UNCTAD has provided to your country. Please indicate now how effective that *overall* assistance has been in fostering and maintaining competition in your country and improving protection for consumers.

8. In some cases UNCTAD may not have been able to provide the technical assistance in this area that your country requested or it may not have been able to fund the project at the level proposed.

Are you aware of the reasons for this outcome?
Are you satisfied with the explanations offered?
Was your country successful in obtaining the requisite funding for the project(s) from an alternative source?

9. What do you consider to be the principal strengths and weaknesses of the technical assistance programme provided by UNCTAD in the area of competition law and policy?

10. What changes would you like to see introduced in order to improve programme delivery by UNCTAD in meeting your country's needs:

(a) if there was no change in the total funds available for this activity?

(b) if there was scope for an increase in funding for this?

11. Are there any other ways in which UNCTAD through its technical cooperation programme could promote competition and consumer protection in your country and thereby facilitate development?

Please nominate the contact person who can provide further information about competition law and policy in your country and the value of the technical assistance provided by UNCTAD.

2. Questionnaire for donor countries

The UNCTAD secretariat's programme on competition law and policy is currently being evaluated at the request of its governing body, which will review the report in September 1999.

The evaluation is being conducted by an independent consultant, Prof. B. Johns (Australia). As part of the study, the consultant wishes to ascertain the views of officials in capitals in charge of and/or familiar with competition law and policy and UNCTAD's work in this area. The attached questionnaire has been prepared for that purpose.

It would be appreciated if replies to the questionnaire could be submitted as soon as possible and not later than 30 April 1999 to the address indicated in the questionnaire.

UNCTAD's Intergovernmental Group of Experts on Competition Law and Policy, at their meeting in July 1998, took note with appreciation of the voluntary financial and other contributions received from member States and invited all member States to assist UNCTAD on a voluntary basis in its technical cooperation activities by providing experts, training facilities or financial resources; requested the UNCTAD secretariat to pursue its technical cooperation activities within the available resources, taking into account the deliberations and consultations that took place at that session; and invited the Secretary-General of UNCTAD to explore the feasibility of supporting training and capacity–building on a regional basis within the available resources.

1. Against this background, please indicate below the principal forms of assistance that your country/organization has provided to UNCTAD to assist developing countries in the formulation or implementation of their competition or consumer protection laws.

   Financial resources
   Training facilities
   Provision of experts
   Other (please specify)

2. Which other international organizations or individual countries are currently receiving assistance from your country in the formulation or implementation of competition or consumer protection laws?

   Please list countries or organizations in order of importance (i.e. according to the level of financial and other support provided by your country in the area of competition and consumer protection laws and policy). Please indicate for each country/organization the type of assistance provided (e.g. training of staff).

3. What do you consider to be the principal strengths and weaknesses of the technical assistance programme provided by UNCTAD in the area of competition and consumer protection law and policy?

4. Please indicate how the performance of UNCTAD in the area of competition law and policy compares with that of:

   (a) other technical assistance activities of UNCTAD;

   (b) other international organizations providing assistance to developing countries on competition policy, e.g. World Bank;

5. Has your country/organization been in a position where it could not accede to a request from UNCTAD to assist with a specific project related to competition or consumer protection in a developing country?

6. If YES, can you please indicate why? Please indicate the number of projects which could not be supported for the reasons described below:
The funds available for technical assistance had already been fully committed;
Other UNCTAD proposals were considered to be of higher priority;
The specific project was thought to be of little value;
The appropriate experts were not available at the time;
Other reasons (please specify).

7. Does your country/organization consider that the technical cooperation activities of UNCTAD in the area of competition law and policy provide "good value for money"overall?

8. What changes (if any) would your country/organization like to see introduced to improve the programme delivery in this area?

   (a) in the geographical allocation of UNCTAD assistance (please give details)

   (b) in the functional allocation of UNCTAD assistance (e.g. more emphasis on training and capacity-building) (please give details)

   (c) in the degree of cooperation between international organizations involved in this activity (UNCTAD, World Bank, OECD and WTO) (please give details)

   (d) in the reporting by UNCTAD of the impact of its work on competition in the developing countries (please give details)

   (e) in the documents and the material made available by UNCTAD to developing countries contemplating the introduction of competition laws (please give details)

   (f) in any other matters (Please specify and give details)

9. If the main changes you have suggested in the answer to question 8 were implemented, is it likely that your country/organization would increase the level of assistance that it provides for UNCTAD activities in this area?

B. Summary of responses

Overall, responses to the questionnaire were received from 31 countries. Nine of these were developed countries which were actual or prospective donors. They completed questionnaire B.

Most of the 22 developing countries who completed questionnaire A had received some form of technical assistance on competition law and policy from UNCTAD. A few had not yet requested such assistance or said that they had not been offered assistance which they had asked for.

Analysis of the replies to questionnaire A

Question 1: Of the 20 developing countries that replied to this question, 9 do not yet have legislation in place relating to restrictive business practices. However, all of them indicated that such legislation was likely to be introduced in the next few years. (Question 2)

Question 3: Most respondents had received advice or assistance on the formulation or implementation of competition laws from more than one source. Often bilateral assistance was provided by a country with which the developing nation had special links of language or culture, while multilateral assistance came from an international organization such as UNCTAD, the World Bank or the European Commission. Apart from UNCTAD, the World Bank was cited most often as a source of advice and assistance, mentioned by 8 responding countries.

Question 4: Only 10 countries expressed a preference for a particular source of advice or assistance. Of these, 6 indicated that their preferred source was UNCTAD. No other source was preferred by more than one recipient country.

Question 5: Thirteen countries stated that they had received advice or assistance from UNCTAD in the area of competition law and policy. Of these, 10 had received introductory seminars and general information about the incidence and effects of restrictive business practices, while 9 indicated that their representatives had participated in regional seminars organized by UNCTAD. Very few nominated any other forms of assistance which they had received from UNCTAD. When asked about which forms of assistance they thought would make the greatest contribution to the promotion of competition in their country at its present stage of development, the highest priority rankings were given to training and assistance with the drafting of competition and consumer protection laws.

Question 6: Respondents were asked to indicate, on a scale of 0 to 5, to what extent the UNCTAD assistance provided to their country had met the objectives established at the time. (where 5 indicates that all the objectives were fully met). A separate score was to be recorded for each type of assistance received. All scores were in the range of 3 - 5, with half of the 12 countries that responded reporting that at least one type of assistance they had received was at the top end of the scale. Most of the countries that replied to this question had only received assistance in the form of an introductory seminar. Those who thought that the objectives of the seminar had not been met completely generally explained that they would have preferred more detailed discussion and greater attention to alleged restrictive business practices that were thought to be prevalent in their own countries.

Question 7: When asked to indicate how effective the assistance had been in maintaining competition and improving consumer protection in the country concerned, most respondents said that it had been effective, particularly in increasing awareness of competition-related issues, in creating a competitive culture or in facilitating the drafting of competition legislation.

Question 8: This question was directed only at countries which had been unable to obtain the technical assistance they had requested from UNCTAD, whether it be initial or follow-up assistance. The three respondent countries who were in this position stated that they were not aware of the reasons for their lack of success or were not satisfied with the explanations offered. None had been able to find the requisite assistance from an alternative source.

Question 9: Among the strengths of the programme identified in the answers to this question were the following:

a) UNCTAD was perceived as a neutral organization, sensitive to the needs and aspirations of developing countries;

b) The seminars provided a useful forum for the exchange of views on competition laws and policy;

c) The professionalism and high standard of organisation evident at the seminars.

Among the weaknesses:

a) Too little advance notice of forthcoming seminars;

b) Two-day seminars were too short to be fully effective;

c) More case studies relating to developing countries should be discussed;

d) More specialist working groups are needed.

Questions 10 and 11: While relatively few respondents answered these questions, several thought that the assistance programme should increase the emphasis on training, particularly if it were possible to increase the funding available for the programme.

Analysis of the replies to questionnaire B

Question 1 : All but two of the nine respondent countries indicated that they had provided assistance to UNCTAD to further the technical assistance programme on competition law and policy. In most cases the assistance took the form of providing the services of experts in the field, but three had provided financial assistance.

Question 2 : Nearly all the respondents indicated that their countries were providing some assistance to other organizations or countries in the formulation or implementation of competition or consumer protection laws. In most cases this took the form of bilateral assistance to developing countries or countries in transition in the same geographical area. For example,

the Scandinavian countries are focusing particularly on assistance to the Baltic States and some of the Central European countries; the Czech Republic, on Romania and Croatia.

Question 3 : The principal strengths of the programme identified by the respondents were:

a) UNCTAD's special knowledge of and experience in assistance to developing countries, particularly recipient countries in Africa and Asia which are in the first stages of introducing competition policy and institutions;

b) The technical competence of the UNCTAD team.

The weaknesses mentioned included:

a) More information should be available on the Internet;

b) Insufficient notice was given to donor countries of projects that they might support.

Question 4 : Only three countries replied to this question. The general opinion of the respondents was that the performance of UNCTAD in the area of competition law and policy was similar to that of other international organizations providing such assistance (e.g. the World Bank).

Questions 5 and 6 : Four countries indicated that they had not been able to accede to a request from UNCTAD to assist with a specific project relating to competition or consumer protection. This was generally because the funds had already been committed or because the relevant experts were not available at the time.

Question 7 : Four countries responded to this question. Three considered that the programme provided "good value for money" and one did not.

Question 8 : A number of positive suggestions for change were made in the replies to this question. While most respondents did not question the geographical allocation of UNCTAD assistance on competition law and policy, one respondent argued in favour of a greater effort in Latin America.

In relation to the functional allocation of UNCTAD assistance, several countries considered that more emphasis should be placed on capacity-building, such as the establishment of an effective competition authority, and on techniques for enforcing the competition laws. Also, one respondent considered that national activities should be given more emphasis than regional or subregional activities.

The need for better cooperation among the international organizations providing technical assistance on competition policy was emphasized by several respondents. It was suggested that

improved communication between the various agencies would not be costly to achieve but would diminish the risk of duplication of effort and improve the allocation of resources.

Some respondents suggested that there should be more reporting of the impact of the programme on competition and that more material should be available on the Internet relating to the history of competition legislation in some developed countries.

Question 9 : Three respondents indicated that their countries would be likely to increase the level of assistance provided to UNCTAD for activities in this area, if the changes they proposed in answer to Question 8 were implemented.

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FOLLOW-UP TO THE EVALUATION OF THE TRADE POINT PROGRAMME: TRADE POINT PROGRAMME STRATEGY

Executive Summary

The proposed strategy is focused on a limited number of objectives which aim essentially at building on the concrete results achieved so far and at enhancing the components of the Trade Point Programme which have proved operational. Two major orientations dominate the proposed strategy: ensuring the self-sustainability of the Trade Points and reducing dependence on UNCTAD resources; and ensuring the interconnectivity of Trade Points. The overall approach will be adapted in the light of the specific conditions prevailing at the country level and in individual Trade Points. The strategy is accompanied by a presentation of the time-frame, specific objectives and related performance indicators. Overall, the proposed strategy could be implemented within three years. The main activities involved relate to capacity development and the renovation of the GTPNet. Current regular budget resources are sufficient to backstop the activities described in the strategy, with the exception of those related to capacity development, for which extrabudgetary resources are required.

GE.99-52725

Introduction

1. Following its consideration of the in-depth evaluation of UNCTAD's Trade Point Programme (TPP), the Working Party on the Medium-term Plan and the Programme Budget at its thirty-third session, (i) decided that the implementation of the Trade Point Programme should be refocused on more realistic objectives, to concentrate primarily on the consolidation of the basic functions of the Programme as well as on providing the necessary support required by the Trade Points, (ii) invited the secretariat to prepare a Trade Point Programme strategy for further consideration by the Working Party, thereby paying particular attention to the content of the evaluation report and to the deliberations of the Working Party thereon; this strategy should contain proposals on the financial and technical feasibility of the implementation of the recommendations contained in the report, (iii) requested in this context that the secretariat prepare a comprehensive report detailing all the activities undertaken to implement various mandates entrusted to it since the inception of the Trade Point Programme, (iv) invited the Secretary-General to seek the views in particular of Trade Point managers and end-users on the proposals to be made by the secretariat with respect to the implementation of the recommendations contained in the evaluation report, and to advise on future actions aimed at enhancing programme delivery, especially with regard to the assistance to be provided to the Trade Points.[1]

2. The present document has been prepared in response to these requests. The views of member States on the recommendations of the TPP evaluation,[2] as reflected in the Chairman's summary[3] of the session of the Working Party, and those of a group of Trade Point managers, end-users and government experts acting in their personal capacity[4], have been taken into account in the preparation of this strategy.

I. OBJECTIVES OF THE PROGRAMME

3. The Trade Point Programme (TPP) was launched in 1992, at UNCTAD VIII, as part of the trade efficiency initiative with the following broad objectives:[5]

(a) Fostering greater participation in international trade, in particular of SMEs, giving special attention to LDCs and other countries less advanced in the area of trade efficiency;

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[1] TD/B/WP/115 of 16 March 1999.

[2] TD/B/WP/110 of 5 October 1998.

[3] TD/B/WP/115 of 16 March 1999.

[4] TD/B/COM.3/24.

[5] TD/B/WG.2/7/Add.1 and TD/B/EX(8)/L.4, dated 7 October 1993 and 20 June 1995 respectively.

(b) Reducing transaction costs in international trade;

(c) Opening international trade to new participants, especially SMEs, by contributing to the simplification and harmonization of trade procedures worldwide and giving traders access to advanced technologies and information networks.

4. The work carried out in this framework allowed the identification of six areas in which obstacles for the participation of developing countries and SMEs in international trade could be removed. A set of practical solutions, contained in the "Recommendations and Guidelines for Trade Efficiency", were adopted by the United Nations International Symposium on Trade Efficiency, held in Columbus (Ohio, United States) in 1994 (TD/SYMP.TE/6). The Trade Points (TPs) and the Global Trade Point Network (GTPNet) were among the main tools for the practical implementation of the trade efficiency initiative.

5. At its initial stage, the TPP focused on support for the establishment of the physical network of TPs. This involved the establishment of "one-stop shops" (physical or virtual) providing all trade information and trade-supporting services necessary to conduct international trade. The rapid evolution in information technologies led to placing emphasis on (a) equipping Trade Points with effective tools to participate in global electronic commerce, particularly over the Internet, and (b) supporting cooperation among Trade Points at both the regional and the interregional levels. In this context, the support of several donors allowed the development of products such as the Electronic Trade Opportunity (ETO) and the Trade Point Internet Incubators, which aimed at helping Trade Points to progress gradually from providing pre-transactional services to becoming electronic commerce service providers. Support was also provided to initiatives to create regional Trade Point forums aimed at fostering information exchange and practical cooperation among Trade Points.

6. Currently there are 124 countries involved in the Trade Point Programme, and the total number of Trade Points in the world is 160, out of which the UNCTAD secretariat considers 54 to be operational while the others are at various levels of development.

II. ORIENTATIONS AND PRIORITIES OF THE STRATEGY

7. The proposed strategy is focused on a limited number of objectives and aims essentially at building on the concrete results achieved so far and at enhancing those components of the TPP which have proved operational. In this context, the strategy takes particular account of the latest developments in information technology, especially the tremendous evolution of the Internet, and the emergence of new electronic tools that can be used by TPs. In its implementation, the strategy will keep sight of the initial objectives of the TPP defined at UNCTAD VIII, which remain valid.

8. Two major interrelated orientations dominate the proposed strategy.

- The first aims to ensure the self-sustainability of the TPs and to reduce dependence on UNCTAD resources.

- The second seeks to strengthen the interconnectivity of the Trade Points, which is now largely facilitated by the development of the Internet.

The overall approach will be adapted in the light of the specific conditions prevailing at the country level and in individual Trade Points. Trade Points at the development stage, in particular in LDCs, will be supported to enable them to reach the operational level as quickly as possible. The focus will be on pre-transactional functions and the preparation of the necessary conditions to move gradually to trade facilitation activities. The operational TPs should enhance their trade facilitation dimension and move towards electronic commerce.

9. The modalities for implementing the proposed strategy are presented in the annex (TD/B/WP/120/Add.1)together with the time-frame, the specific objectives and the related performance indicators. Overall, the proposed strategy will be implemented within three years.

10. The main activities aimed at achieving the above objectives relate to:

(a) Capacity development, in particular training and the provision of key support services to assist Trade Points to reach the operational level and to become self sustainable;

(b) Renovation of the GTPNet to further assist Trade Points worldwide in providing value-added services to their clients and to facilitate inter-Trade Point exchanges.

A. Capacity development

11. The process of capacity development starts through an official request to UNCTAD for the establishment of Trade Points and/or the provision of technical assistance to strengthen the capacity of Trade Points to provide efficient services to their end users. UNCTAD advises the Government and the institution concerned on the issues involved in establishing or strengthening Trade Points and where necessary proposes specific measures, including technical cooperation, to that end.

12. Assistance from the UNCTAD Trade Point Programme in capacity building is perceived as the highest priority by Trade Points, since some 100 of them do not have specific skills required for the provision of Trade Point services, nor the specific experience in managing operations of a Trade Point-like entity. For this reason, the provision of appropriate tools to these Trade Points by the TPP[6] is essential. These tools should also facilitate access to the experience gained by and the best practices existing at Trade Points which are already operational.

13. One of the key longer-term objectives of the TPP is to ensure the self-sustainability of the programme and to reduce dependence on UNCTAD resources. A key element of this initiative is to support the establishment of regional Trade Point fora and, ultimately, an International Trade Point Federation.

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[6] See recommendation in paragraph 56 of the in-depth evaluation (TD/B/WP/110 and Add.1).

14. In the first instance, workshops and training courses provided by the Trade Point Programme will be accompanied by simple and user-friendly manuals and/or interactive tutorials. Topics covered may include a guide to the development of a TP web site, to the effective operation of the ETO system and to trade facilitation services. The materials will be disseminated electronically through the mechanisms of the renovated GTPNet. The training course on the development of a TP website, designed by UNCTAD and successfully delivered in Ethiopia, Zambia and Romania, will be replicated in countries which face the most serious constraints in terms of local expertise, in particular in LDCs. A technical training course on the installation and use of the new GTPNet technologies will be prepared.

15. Tools that can assist Trade Points in enhancing their financial self-sustainability will be prepared[7]. They will include guides on potential income-generating products and services for Trade Points and to the use of the Internet as a business research and marketing tool.

16. ITC and UNCTAD will continue their cooperation in this area. ITC has been successfully delivering training courses to Trade Points on various aspects of trade information sources and management. Continuation of these courses, as well as their extension toward areas mentioned above (in particular income-generating services and use of the Internet for business purposes), would be most desirable.

17. UNCTAD's TRAINFORTRADE Programme will contribute through the provision of a training methodology incorporating the concept of "training of trainers", which would enable Trade Points to deliver courses to their clients on a sustainable local basis. The course on Trade Point management, as well as courses linked to electronic commerce, will complement these efforts. Distance learning will be used as much as possible for the delivery of courses, including through the envisaged knowledge management site of the renovated GTPNet.

18. A consolidated roster of consultants with sufficient experience in Trade Points or similar operations will be established. It will include experienced TP managers and operators and experts with a previous record of successful work for UN agencies cooperating on the Trade Point Programme who could provide the assistance required, in particular within individual regions. Cooperation with regional Trade Point fora will be sought to this end.

B. Renovation of the GTPNet

19. The GTPNet is at the heart of the Trade Point Network. The website either hosts or provides links to all Trade Point web sites. The site also contains a wide range of information on the TPP, individual TPs, trade efficiency and other related information. As the number of operational TPs has increased, the amount of business information available through the GTPNet has also increased. This is a significant change from the early days of the GTPNet site, when the site was mainly a marketing tool for the Trade Point concept.

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[7] See recommendation in paragraph 64 of the in-depth evaluation.

20. The TP mirror sites and TP Incubator were set up initially to overcome bandwidth limitations and resource limitations in developing economies. With the rapid development of the Internet throughout the world over the last three years, most of these limitations have been overcome. In addition, the maintenance of TP mirror sites is complex and difficult to control from a quality perspective. Consequently, the number of TP mirror sites will be drastically reduced. The TP incubator will be maintained for as long as difficulties for the hosting of web sites persist in some developing countries.

21. The main purpose of renovating the GTPNet is to increase its value for its users, to maximize the potential that can be reaped from sharing technical development and information, and to ensure the maximum participation of all TPs in the Network. To this end, the GTPNet should open itself to new participants who can contribute to, and benefit from, the operation of the system. In this regard, particular efforts should be made to incorporate new participants from the private sector and from developed economies. These participants are expected to provide additional services and/or information by interconnecting their web sites with the GTPNet. Their access would be through the main web site or through a Trade Point.

22. The user-friendliness of and ease of access by individual TPs to the GTPNet is a priority aspect of its renovation, focusing on the delivery of all basic services of the GTPNet (TP websites, receipt and dissemination of ETOs, etc.). It is intended that these basic services will be fully available to all TPs, utilizing currently available equipment and technology. In addition, the TPP will significantly enhance the existing GTPNet to take advantage of emerging technologies and to provide more comprehensive information exchange and access facilities. It is intended that these enhanced features would be adopted by all TPs over time.

23. It is proposed to establish a basic technical framework for the GTPNet, which should be continuously enhanced through joint efforts of all interested participants. In the case of Trade Points information sharing would be achieved by maintaining a central database where information can be found more easily and faster. The information would be updated automatically through a dynamic process whenever it is updated locally.

24. The renovated ETO system will be an integral part of the GTPNet. Its design will take account of the recommendations contained in the in-depth evaluation report, the views expressed by Governments and those resulting from the discussions of the Trade Point managers, end users of Trade Points and government experts acting in their personal capacity at their meeting on 26 to 28 may 1999 in Geneva (see TD/B/COM.3/24).

25. The GTPNet website will host three types of information services:

(a) Trade-related information originating from individual Trade Points (updated dynamically), which will typically include a database of traders in the country (exporters and importers), market information, national information about trade regulations and trade agreements, contact addresses and information about relevant trade organizations and a listing of the services provided by each Trade Point.

(b) An open area for information exchange among all participants, which will cater for news groups, including a technology watch, user feedback, chat groups, discussion database,

knowledge database,[8] newsletters, announcements, etc. The discussion database will be a tool for individual Trade Points to submit questions regarding a problem they have encountered and for which the other Trade Points can offer advice. Once a solution has been found and has proven successful, the problem and the related solution will be added to the knowledge database. This section can also host information about tools and systems developed by individual Trade Points with conditions/prices for dissemination.

(c) General TPP information, which will be maintained by the central team. This will include such items as the list of Trade Points worldwide (with an indication of their development stage), relevant guidelines, documents, sample statutes and work plans, standard templates for Trade Point home pages, relevant international codes, information on trade facilitation, frequently asked questions (FAQ).

26. All information will be managed so that Trade Points and users can easily find the right information at the right time. For this purpose, the information will be indexed for full text search and will include user-defined fields (e.g. keyword, industry, topic area) so that a collection of information items can be sorted by meaningful criteria.

27. Information will not flow down from UNCTAD to Trade Points and users, but will bubble up across the GTPNet community. The information platform needs to be able to move that knowledge around the GTPNet so that all Trade Points and users have the latest information available on markets, products, services and regulations. Key information will be disseminated automatically, according to established user profiles, and specific subsets of databases will be dynamically replicated (the updated fields only) across the network when updates occur.

28. In order for such a system to work, it will be necessary for the central site and the individual Trade Points to use the same technology. This technology should also be available at the local level to allow individual Trade Points to share selected information with their users.

29. The renovated GTPNet will be technically open in order to facilitate and encourage development efforts of its users. It must also interface or integrate with other data management systems easily. The system will run on most common operating systems, and it must be largely hardware-independent.

30. Strict quality controls will be put in place to ensure that the quality of information on the site is maintained. It this respect, the GTPNet site will work towards the attainment of quality levels equivalent to ISO 9001.

III. FINANCIAL IMPLICATIONS

31. UNCTAD is maintaining the level of resources allocated to the TPP, namely four professional and two general service regular budget posts. These resources are sufficient to backstop the activities described in this strategy document.

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[8] See recommendation in paragraph 25 of the in-depth evaluation.

32. The implementation of the activities described in section II.A. on capacity development will require the mobilization of extrabudgetary resources. The related resource requirements will be estimated for consideration by donors.

33. Initial steps towards the renovation of the GTPNet have been undertaken within existing regular budget resources. Costs for required services and highly qualified technicians with expertise in global networks and electronic commerce will eventually be covered from the 1998 savings. These additional resources will only be required for the initial setting-up of the renovated GTPNet, while maintenance and updating activities can be assured by the regular TPP staff.

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FOLLOW-UP TO THE EVALUATION OF THE TRADE POINT PROGRAMME:

TRADE POINT PROGRAMME STRATEGY

Annex

Modalities to implement the proposed strategy

Executive summary

This annex contains the modalities to implement the proposed strategy together with the time frame, the specific objectives and the related performance indicators.

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1. It is estimated that the proposed Trade Point Programme strategy can be implemented within three years. It should be noted that the strategy is based on the assumption that the necessary extrabudgetary resources can be mobilized in a timely manner. The activities to be carried out during this period are designed to strengthen the self-sustainability of Trade Points and ensure their interconnectivity. The creation by the Trade Points themselves of national, regional and international forums will significantly reduce their dependence on the Trade Point Programme and allow such Trade Point forums to assume the support functions currently carried out by UNCTAD. Thus, the current package, encompassing the strategy and the modalities for its implementation, is aimed at consolidating the basic achievements of the Trade Point Programme and at preparing the ground for a gradual reduction in the UNCTAD secretariat's involvement in this area. The package can therefore be considered as constituting an exit strategy.

2. The secretariat will report to the Working Party on the implementation of the activities contained in this annex in 2001.

Objectives	Activities	Time frame	Indicators	Assumptions and risks
Capacity development	Fund raising for training activities	October 1999 – December 1999	Donor(s) funding confirmed	Strategy endorsed by member states at the thirty-fourth session of the Working Party, and donors confirm interest in providing financial support
	Training of 8 to 10 course developers selected mainly from Trade Points	Three weeks in February 2000 and three weeks in July 2000	8 to 10 course developers fully trained for subsequent activities	Extrabudgetary funding available
	Development and update of six courses to support the development of Trade Point services and to strengthen the Trade Point management capacity, including with respect to financial aspects	March 2000 – December 2001	Courses completed on Development of Trade Point Services, Trade Point Management, Trade Facilitation, E-Commerce, Global Architecture of GTPNet, and Trade Point website Design	Extrabudgetary funding available
	Preparation and update of Trade Point and GTPNet guidelines based on the experiences gained by, and the best practices at, operational Trade Points	January 2000 – December 2000	Guidelines for the establishment of Trade Points, management of Trade Points, effective operation of ETOs, value-added GTPNet tools, such as web publishing, and marketing of these tools available for Trade Points and their clients	Extrabudgetary funding available
	Training of 8 to 10 trainers selected mainly from Trade Points	Two weeks in June 2000 and two weeks in November 2000	8 to 10 trainers fully trained for subsequent delivery of training	Extrabudgetary funding available
	Establishment and maintenance of a roster of consultants selected mainly from Trade Points	October 1999 – September 2002	Roster of consultants available	

Objectives	Activities	Time frame	Indicators	Assumptions and risks
	Course/workshop delivery by region, including courses for the above-mentioned trainers	September 2000 – September 2002	Courses and workshops held in all regions	Extrabudgetary funding available
	Support the establishment by Trade Points themselves of regional Trade Point forums	October 2000 – September 2002	Regional Trade Point forums established in Africa, Asia and Europe, and for Arab and Mediterranean countries	Commitment and support by the Trade Points of the particular regions
	Support the establishment by Trade Points themselves of an international Trade Point federation	By March 2002	International Trade Point federation established (if so decided by the Trade Points)	Commitment and support by the existing regional Trade Point forums
	Handing over of activities to the regional/international Trade Point federation(s)	By September 2002	Regional/international Trade Point federation fully functioning	Funding available from participants and interested donors for staff and operational expenses of the regional/international Trade Point federation(s)
Renovation of the GTPNet	Updating of interactive tools, including a discussion database function, in a pilot phase with five Trade Points	October 1999 – February 2000	Release 1 of renovated GTPNet operational	Participating Trade Points have the technical capacity to adopt the new tools; local expertise available
	Renovation of the ETO system, taking into account the views of Governments and experts	November 1999 – March 2000	Renovated ETO system operational (on-line structured ETOs, search engine, profile-based subscription features)	Introduction by users of new quality criteria and adoption of new technology tools
	Update of system set-up based on user feedback	March 2000 – June 2000	Release 2 of renovated GTPNet operational	Feedback received from users in a timely manner

Objectives	Activities	Time frame	Indicators	Assumptions and risks
	Dissemination of renovated tools and techniques to Trade Points	July 2000 – June 2001	At least 50 Trade Points equipped with new technology or fully prepared for its introduction	Extrabudgetary resources available for training seminars, local technical environment ready to accept the new tools
	Fine-tuning of knowledge database function based on experiences gained from discussion database	January 2001 – March 2001	Knowledge database fully operational	Effective use by Trade Points of this tool; regular inputs from users received
	Transfer of know-how on maintaining and managing the GTPNet to regional forums	July 2000 – September 2002	Regional forums established	Extrabudgetary resources available for training seminars
	Transfer of know-how on maintaining and managing the GTPNet to the international Trade Point federation	April 2002	International Trade Point Federation established	Extrabudgetary resources available for training seminars

Abbreviations ETO electronic trading opportunity
GTPNet Global Trade Point Network

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FOLLOW-UP TO THE EVALUATION OF THE TRADE POINT PROGRAMME

ACTIVITIES UNDERTAKEN BY THE SECRETARIAT TO IMPLEMENT VARIOUS MANDATES ENTRUSTED TO IT FOR THE TRADE POINT PROGRAMME SINCE ITS INCEPTION

Executive Summary

This document lists in chronological order all the mandates received from the various intergovernmental bodies for the Trade Point Programme since its inception. The corresponding activities carried out by the secretariat to implement these mandates, together with Trade Point Programme activities funded from extrabudgetary resources, are also presented in chronological order.

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1. The Working Party on the Medium-Term Plan and the Programme Budget at its thirty-third session, on 25 to 29 January 1999, requested the secretariat to prepare a comprehensive report detailing all the activities undertaken to implement various mandates entrusted to it since the inception of the Trade Point Programme.

2. The Trade Point Programme originated from mandates at UNCTAD VIII and the United Nations International Symposium on Trade Efficiency (UNISTE) in Columbus, Ohio. Further mandates were given by UNCTAD IX and the agreed conclusions of the three sessions of the Ad Hoc Working Group on Trade Efficiency, as well as those of the three sessions of the Commission on Enterprise, Business Facilitation and Development.

3. The activities carried out to implement the mandates, decisions and recommendations related to the Trade Point Programme since its inception were covered by regular and extrabudgetary resources. The total of resources in the professional category attributed to the Trade Point Programme between January 1992 and July 1999 is 138 work months.

4. The main activities of these regular staff were the development and promotion of the Trade Point concept at intergovernmental and institutional meetings, the regional coordination of government requests and the monitoring of the implementation and development of Trade Points; preparation of all the documents related to meetings dealing with Trade Point issues; drafting of guidelines on how to establish a Trade Point; preparation and submission of several Trade Point project documents to different donors in order to facilitate the establishment of Trade Points in developing countries and more particularly in least developed countries and countries with economies in transition.

5. Among the projects related to Trade Point issues, prepared by the secretariat and presented to donors for approval of funding, a total of 20 projects were approved and funded. The majority of the projects were for the Trade Point Programme at the regional and interregional levels. Only five projects were country specific. Several country and regional project documents are still waiting for approval of funding at the bilateral and multilateral level.

6. Most of the activities carried out under extrabudgetary funds through technical assistance projects were the coordination and monitoring the establishment of Trade Points and its implementation and development at regional levels, to conceptualize, develop and implement technical tools and software to respond to the needs of the Trade Points.

First Mandate

A. UNCTAD VIII, Cartagena de Indias, Colombia, February 1992

7. The initial direction for the Trade Point Programme first appears in the Cartagena Commitment "A New Partnership for Development" (TD/364/Rev.1), paragraphs 79 and 156 to 161, as follows:

- *Paragraph 79*: "The Conference requests the Board ... to establish ... ad hoc working groups to deal ... with [inter alia] Trade Efficiency ..."

- *Paragraph 156:* "New techniques in international trade transactions and procedures are capable of producing substantial time and money savings in such transactions and procedures. These result in new trade links involving all regions of the world. Benefiting from these techniques requires a truly universal use of EDI. UNCTAD programmes should give special attention to the integration of countries and regions less advanced in this process ..."

- *Paragraph 157*: "The Conference requests the Secretary-General of UNCTAD to initiate consultations with member States so as to establish an expert group on trade efficiency ... This group will report regularly to the Trade and Development Board on the progress of its work ... The group will be responsible for producing guidelines needed to take concrete steps towards trade efficiency at the national and international levels [and] will also identify and formulate the elements necessary to the promotion and implementation of such guidelines, focusing on their legal, technical, procedural and institutional components ...". Reference is also made to the inclusion of the private sector's expertise and taking into account work by other United Nations organizations.

- *Paragraph 158*: "The culmination of these efforts of the expert group should be an international symposium on trade efficiency, to be held in 1994. This event should reinforce international discussion on the promotion of harmonized national and regional infrastructures for trade and trade efficiency ... giving priority to ways and means of promoting the participation of small- and medium-sized enterprises in international trade."

- *Paragraph 159*: "... Transparency in trade-related information should be fostered ... to access publicly available market information."

- *Paragraph 160*: "UNCTAD should continue to strengthen its analytical and technical cooperation work in the area of trade efficiency, including through experiments carried out jointly with the private and public sectors of pilot countries".

- *Paragraph 161*: With regard to the use of information technology, "Countries are urged to continue [their] efforts, especially in areas of trade facilitation..."

Action

8. The secretariat serviced the work of the Ad Hoc Working Group on Trade Efficiency which met three times in November 1992, November 1993 and May 1994. It also prepared the report of each of the sessions to be presented at the respective Trade and Development Board sessions in April 1993, February 1994 and May 1995, as well as to the Working Party in March 1993.

9. The secretariat started informal consultations with member States to organize the United Nations International Symposium on Trade Efficiency (UNISTE) held in October 1994 in Columbus, Ohio.

B. Ad Hoc Working Group on Trade Efficiency

Decision

10. The Ad Hoc Working Group on Trade Efficiency was established by decision 398 (XXXVIII), taken at the thirty-eighth session of the Trade and Development Board, held from 21 April to 7 May 1992, with terms of reference, which included: "To identify areas in which technical cooperation could be necessary in trade efficiency-related areas, with special regard to trade facilitation activities and the establishment of Trade Points, and possibilities to create new trade links thereby ..." (paragraph 3).

First session of the Ad Hoc Working Group

11. The Ad Hoc Working Group, at its first session, on 16 to 20 November 1992, agreed on a programme of work (see document TD/B/WG.2/4) divided into six areas: information flows to build trade efficiency, facilitating trade, 1994 symposium, the role of Governments, Trade Points and technical assistance. The last three areas of the work programme are relevant in this context, as follows:

Recommendations

(a) Working towards trade efficiency: role of Governments

(i) Study ways to improve the legal, regulatory and administrative environment for national trade efficiency;

(ii) Develop a recommendation for model laws to support electronic commerce; and

(iii) Examine how the interface between Government and the private sector and regulatory aspects of sectoral linkages can satisfy the trade efficiency requirement.

(b) Trade Points

(i) Establishment of a pilot Trade Point Programme (pilot Trade Points were selected by the secretariat using the criteria of geographical distribution);

(ii) Evaluate the Trade Point Programme (interim report) and efficiency in the use of UNCTAD assistance; and

(iii) Develop recommendations for a future Trade Point Programme's functionality, set-up, operations, training and funding.

(c) Technical assistance

(i) Training of national experts in trade facilitation and electronic data interchange (EDI);

(ii) Establishment of national trade facilitation organizations;

(iii) Expert advice with specific EDI implementation problems;

(iv) Development of suitable programmes for technical assistance; and

(v) Facilitation of workshops and 1994 symposium (the purpose of the workshops was to prepare for the Columbus Symposium).

Although the term "Trade Point" is used, it is not formally defined in this document.

Action

12. In response to the mandate, at its third executive session on 27 April 1993, the Trade and Development Board took note of the Ad Hoc Working Group's report and adopted its work programme.

13. Between February 1992 and October 1993, the secretariat received requests from 40 countries interested in establishing Trade Points. The secretariat responded to these requests by drafting and disseminating basic guidelines (see TD/B/WG.2/4) on the establishment and operation of pilot Trade Points. The secretariat prepared a "First evaluation of the Trade Point Programme. An interim report, "Note by the UNCTAD secretariat" (see document TD/B/WG.2/7, annex II) was presented to the second session of the Ad Hoc Working Group.

14. In 1993, the Trade Point Development Centre (TPDC) was created in cooperation with Trade Point Bangkok. During the first semester of 1993, UNCTAD's experts on trade efficiency went to Indonesia, Republic of Korea, Philippines and Singapore to promote the EDI concept and to participate in the establishment of pilot Trade Points.

15. In order to promote products through the Trade Point Network using the most advanced communication techniques available, the secretariat, in June 1993, developed a basic service to distribute offers and demands for products, services and investment via e-mail and news groups. This system was named electronic trade opportunity (ETO).

16. By October 1993, 17 pilot Trade Points had been established in 14 countries.

Second session of the Ad Hoc Working Group on Trade Efficiency

17. The Ad Hoc Working Group, at its second session, November 1993, adopted the Chairman's summary, which included (see document TD/B/WG.2/9, annex 1):

(a) Report on Trade Point status;

(b) Observations concerning the role of Trade Points in supporting national economic policies;

(c) Recommendations by Trade Point directors (best practices to support the effective creation of Trade Points); and

(d) Issues requiring further consideration as presented by member States. (These issues were submitted for examination to the informal working group on trade efficiency[1] on 16 June 1995.)

18. The secretariat also submitted a document entitled "Trade Point: Concept and Implementation" (TD/B/WG.2/7/Add.1). It was not officially approved but its content is partially reflected in the issues requiring further consideration.

Action

19. At the second session of the Ad Hoc Working Group on Trade Efficiency, representatives from 22 member States gave feedback on Trade Point implementation, and positive remarks were made regarding national policies, reforms and liberalization (see chairman's summary in annex 1 of TD/B/40(2)/3 - TD/B/WG.2/9).

20. During 1993, an UNCTAD mission took place in Brazil and Chile. The secretariat participated at two seminars on Trade Efficiency and Facilitation Procedures held in Mauritania in 1992 and 1993.

Third session of the Ad Hoc Working Group on Trade Efficiency

21. At its third session in May 1994, the Ad Hoc Working Group on Trade Efficiency addressed the following issues:

(a) The Government's role in trade efficiency: this item was part of the agenda but was discussed in a separate workshop for which there is no official record;

(b) Progress on implementation of the Trade Point Programme; and

(c) Consideration of "Guidelines on key sectors for trade efficiency" (see document TD/B/WG.2/11 and Add.1-5) was discussed in informal meetings and the draft recommendations for Governments are subject to further discussion in the preparatory committee for adoption at the Symposium.

Action

22. By May 1994, an additional 11 Governments had requested the establishment of Trade Points, bringing the total number of countries to 51, as noted in the Trade Point status

[1] Please see section F below for mandate and role of the informal working group on trade efficiency.

report dated 11 May 1994 (see document TD/B/40(2)/28-TD/B/WG.2/14, annex II). The secretariat responded to these requests by advising Governments on the steps to undertake in setting up a Trade Point.

23. A technical assistance project to establish a Trade Point in Armenia was prepared by UNCTAD, and was financed by the World Bank.

24. During the first semester of 1994, Trade Point experts and regional coordinators went on missions to Cape Verde, Gabon, Kenya, Mauritania, Senegal, United Republic of Tanzania, Zambia and Zimbabwe to launch the Trade Point establishment process. The regional coordinator for Africa and a trade efficiency expert performed their monitoring activities and provided substantive support, in cooperation with experts in computer and information technologies, for the setting-up of the Global Trade Point Network.

C. Working Party on the Medium-Term Plan and the Programme Budget

25. At its session held in March 1993, the Working Party requested the secretariat, in connection with the outcome of the first session of the Ad Hoc Working Group, to provide an assessment of workload and financial implications of the work programme on trade efficiency.

Action

26. The secretariat prepared the budget for the biennium 1994-1995, which was presented to the Working Party.

D. UNISTE - Preparatory Committee, June 1994

27. Following the decision adopted by the Trade and Development Board at the second part of its resumed session, held from 25 to 27 May 1994, a preparatory committee for UNISTE was set up.

28. The preparatory committee considered the draft recommendations on trade efficiency and the draft Columbus declaration, which were submitted to the symposium.

E. United Nations International Symposium on Trade Efficiency, Columbus, Ohio, USA, 19-24 October 1994

29. The official text adopted at the Symposium consists of the Ministerial Declaration and its appendix, "Recommendations and guidelines for trade efficiency". The main body of the Columbus Declaration on Trade Efficiency includes the following:

- *Paragraph 9*: the endorsement of the "practical actions, recommendations and guidelines which may be adopted by Governments, international and national organizations, and enterprises, as appropriate";

- *Paragraph 9*: the official launching of the Global Trade Point Network;

- *Paragraph 6*: "as electronic commerce is rapidly spreading to many sectors of activity and regions ..., concerted action is required in order to allow all potential traders to rely on simplified, compatible procedures and practices, and to make the best possible use of modern technologies to lower costs of international trade transactions worldwide";

- *Paragraph 7*: "the promotion of electronic commerce worldwide should be based on the principle of equality of access of all countries to systems compatible with international standards recommended by the United Nations".

30. The appendix contains a section with recommendations to Trade Points. In the introduction to the appendix, the Trade Points' role is defined as follows: they are to be a "... source of information in all areas of trade guaranteeing an equal treatment to all their partners and actively avoiding any monopoly or exclusive position in relation to service providers and other Trade Points. They assist traders in carrying out trade transactions, using modern information technology and in accordance with international standards. In addition, they are laboratories for national trade efficiency policies... The two main goals of Trade Points in assisting their national exporters and importers are to lower the cost of trade transactions and to encourage expanded participation in international trade, especially the participation of SMEs".

31. Other relevant documents include "Summaries of proceedings of the United Nations International Symposium on Trade Efficiency (TD/B/EX(8)/2-TD/SYMP.TE/7), "Report of the United Nations International Symposium on Trade Efficiency" (TD/SYMP.TE/6), and "Technical cooperation related to trade efficiency" (TD/B/EX(8)/L.3).

Action

32. During the second semester of 1994, Trade Point experts went on missions to Argentina, Brazil, Chile, Côte d'Ivoire, Gabon, Mozambique, Peru, Sao Tome and Principe and the United States to present the Trade Point concept to potential participants and/or to follow up on initial activities; to identify and select a national counterpart; to define organizational and functional methods and to analyse and define the technical requirements. The regional coordinator for Africa and a trade efficiency expert performed their monitoring activities and set up, in cooperation with some experts, the Global Trade Point Network (GTPNet).

33. The GTPNet was officially launched at the United Nations International Symposium on Trade Efficiency as a first step in implementing the recommendations concerning the six sectors of trade efficiency.

34. UNCTAD organized a preparatory Trade Point directors meeting in Geneva from 6 to 7 September 1994. The participation in the meeting of 13 Trade Point directors from 11 developing countries was financed from extrabudgetary resources.

35. UNCTAD organized a second World Trade Point directors meeting in Columbus (Ohio) from 17 to 21 October 1994. The travel to and participation in UNISTE of representatives from 23 least developed countries and 16 Trade Point representatives was financed from extrabudgetary resources.

36. The first Latin American Trade Point meeting took place in Cali (Colombia) from 29 to 31 March 1995. The Trade Point directors committed themselves to strong cooperation amongst themselves to maximize the benefits resulting from the network, and created a technical committee to coordinate technical activities and development.

F. Eighth executive session of the Trade and Development Board (First part)

37. "The eighth executive session held its opening plenary meeting on 5 December 1994. After a general discussion of the main agenda item "Follow-up to the United Nations International Symposium on Trade Efficiency (UNISTE), held in Colombus, Ohio (17-21 October 1994)", the executive session was suspended and further consideration of the item took place in a series of informal consultations"[2].

38. These informal consultations led to an informal working group on trade efficiency, which met several times from January to June 1995 to deal with issues raised in the secretariat's first assessment of the Trade Point Programme. The working group addressed institutional issues including the definition and functions of Trade Points and the institutional framework of the GTPNet, technical issues concerning the interconnection of Trade Points, technical cooperation aspects and analytical and policy inputs.

39. Other questions raised concerned the institution's responsibility for the certification of Trade Points and negotiating agreements with the private sector (e.g. information technology and telecommunication services). The group was informed that, based on the advice of the World Intellectual Property Organization, the Trade Point name could be protected only at the national level.

40. The work of this informal group is reflected in decisions taken at the resumed eighth executive session of the Trade and Development Board, held in June 1995.

Action

41. Regional coordinators traveled to Bolivia, Colombia, Côte d' Ivoire, Ecuador, India, Maldives, Mongolia and Senegal during the first semester of 1995 to follow up the establishment of Trade Points and to provide advice for connecting to the GTPNet.

42. Trade efficiency and telecommunications experts developed technical tools for the active participation of Trade Points from least developed countries in the GTPNet, such as the creation of the incubator. Mirror sites were created covering all geographical regions to increase ease of access to the GTPNet. These activities were funded from extrabudgetary resources.

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[2] Document TD/B/EX(8)/2

G. Eighth executive session of the Trade and Development Board (Resumed session on 29 June 1995)

43. In June 1995, the Trade and Development Board examined the following three texts presented by the Informal Working Group on Trade Efficiency:

(a) "An international federation of Trade Points: Proposal for decision" (TD/B/EX(8)/L.2), this document assessed the feasibility of establishing such a federation, and contained a proposal for articles of association.

(b) "Conclusions on technical cooperation" (TD/B/EX(8)/L.3), this text suggested that a two-phase strategy should be followed for Trade Points: (i) introduce the concept and obtain a commitment, and (ii) reduce transaction costs with practical solutions. The priority was interconnectivity "to allow them to offer commercially valuable services to traders". Training should be part of the technical cooperation for Trade Point managers, operators and users. Coordination with other international and national bodies was necessary in order to avoid duplication and to take advantage of their expertise.

(c) "Draft criteria for the establishment and operation of Trade Points" (TD/B/EX(8)/L.4):

(i) *Objective*: "foster greater participation in international trade ... reduce transaction costs".

(ii) *Components*: "A Trade Point is ... the combination of three elements ... (a) source of trade-related information which provides actual and potential traders with data about business and market opportunities, potential clients and suppiers, trade regulations and requirements, etc. (b) gateway to global networking ...(c) a center for facilitating trade ... and where feasible, Trade Points shall develop virtual links with participants in international trade, thus allowing them to access to Trade Point services from their own premises".

(iii) *Services when fully operational*:

- Advisory services on internationally agreed recommendations on trade facilitation and best business practices;
- Assistance in conducting import and export formalities;
- Information on foreign trade regulations; and
- Information on bodies that can give further assistance.

As additional objectives, Trade Points should endeavor to "provide electronic access to ... market information, ... be a physical or virtual one-stop center for trade-related services ... provide assistance in the electronic connection of traders to services".

(iv) *Operative principles*: "confidentiality,... accuracy and impartiality of information, ... equal treatment to all (avoid monopoly), ... universality, ...

respect of internationally agreed standards, ... open telecommunication systems, ... non-exclusivity, ... best quality-price ratio, ... freest possible exchange of information among Trade Points".

(v) *Organizational considerations*: "close cooperative links with national trade facilitation/promotion bodies ... it is suggested that [a] local Trade Point Association be created (special guidelines in appendix) ... [to promote] cooperation and coordination between Trade Points in the same country".

44. The Board requested the secretariat to focus its future work on the telecommunications/global information infrastructure, the participation of small and medium-sized enterprises (SMEs) and transport. A proposal to establish an intergovernmental group of experts responsible for the implementation of the work programme was to be presented by the secretariat. The proposal would have included the timetable and terms of reference to be considered for adoption by the Board in September 1995. However, this intergovernmental group of experts was not established.

45. The document entitled "Trade Point Programme, a first post Symposium assessment", (UNCTAD/PSM/CAS/679), dated January 1995, though not adopted by the intergovernmental machinery, is important because it defines the connection between the Trade Efficiency Initiative and the Trade Point Programme.

46. The Trade and Development Board at its 860th meeting, on 29 June 1995, adopted decision 427 (Ex-8): Follow-up to the United Nations International Symposium on Trade Efficiency and the texts annexed to this decision.

Action

47. Regional coordinators traveled to Benin, Botswana, China, Eritrea, Ethiopia, Guinea Bissau, Kenya, Mali, Mauritania, Senegal, South Africa, Uganda, United Republic of Tanzania, Zambia, Zanzibar and Zimbabwe during the second semester of 1995 to pursue the establishment of Trade Points and to provide advice for strengthening the GTPNet.

48. UNCTAD trade efficiency and telecommunications experts contributed to the development of the GTPNet and implemented the mirror sites and the incubator in order to facilitate the access of Trade Points from least developed countries to the GTPNet.

49. In July 1995, the TPDC moved from Bangkok (Thailand) to Melbourne (Australia) and started to develop specific tools and interfaces used by the GTPNet World Wide Web server.

50. UNCTAD participated in the second Latin American Trade Point meeting, which took place in Florianopolis (Brazil) from 10 to 11 August 1995. The three main topics of the meeting were telecommunications (Internet status, data-base exchange and other networks), services (revenue and prices) and integration (standardization of ETOs).

51. On 20 and 21 September 1995, over 80 Trade Point managers and representatives from all over the world and UNCTAD participated in the first worldwide meeting of

members of the GTPNet in Tampere (Finland). The Government of Finland financed the meeting.

52. The secretariat organized an Expert Group Meeting on financial sustainability and cooperation among Trade Points that took place in Geneva (Switzerland) from 10 to 12 January 1996. The meeting was attended by 10 representatives from nine Trade Points. The topics discussed were mainly ETOs and the GTPNet.

53. In March 1996, the secretariat's regional Trade Point coordinator for Latin America went to Barbados, Jamaica, Guyana, Trinidad and Tobago and the United States to assist in the establishment of Trade Points in selected cities and to carry out technical studies for Trade Points. A Latin American Trade Point director assisted in the establishment of Trade Points in Kenya, Mozambique and Zambia and their connection to the GTPNet.

54. The TPDC with several experts in information technologies, telecommunication and banking developed search engine software to maximize the use of the GTPNet and provided technical expertise to Trade Points in developing countries. A video on the Trade Point Programme was produced.

55. UNCTAD participated in the third Latin American Trade Point meeting, which took place in Santiago, Chile from 8 to 11 April 1996. There was an agreement to integrate with the United States Trade Points and create the Inter-American Trade Point Meeting. Trade Points agreed that Trade Points from developing countries should have priority in the collection of ETOs and that an ETO standard should be adopted.

56. The secretariat organized a second Expert Group Meeting on the technical architecture of the GTPNet that took place in Geneva (Switzerland) on 21 and 22 April 1996. Three experts from the United States, Finland and France and two UNCTAD representatives attended the meeting. The topic was how to develop the GTPNet architecture and the aspects to be considered in its implementation.

Second mandate

G. UNCTAD IX, Midrand, South Africa, April-May 1996

57. "A Partnership for Growth and Development" (TD/378/Rev.1) includes the following relevant clauses:

- *Paragraph 92*: "UNCTAD's primary role [in services infrastructure for development and trade efficiency] is to assist developing countries, particularly the least developed countries and countries in transition, in generating trade supporting services ...". UNCTAD should review and assess progress with the trade efficiency initiative, including the experience gained so far in the working of Trade Points and their interoperability ... UNCTAD should consolidate the Trade Point network by making Trade Points fully operational and effective."

- *Paragraph 93*: explore means to make the Global Trade Point Network financially self-sustainable and enhance the capacity of Trade Points to function as information and training centres for SMEs.

Action

58. As of 15 March 1996, UNCTAD had granted operational status to 39 Trade Points in 25 countries, with 89 Trade Points still in the process of being established.

59. Parallel to UNCTAD IX, the secretariat organized the fourth World Trade Point Directors meeting that took place in Midrand (South Africa) from 1 to 3 May 1996. The participation in this meeting of some 33 Trade Point directors/coordinators from developing countries was financed by extrabudgetary funds. The topic was the report of the expert groups on information and standards, on financial sustainability and cooperation among Trade Points. The Trade Point representatives approved the guidelines for financial sustainability and also cooperation among Trade Points. The Trade Point directors also adopted, *inter alia*, a standard for the dissemination of ETOs compatible with a new United Nations electronic data interchange for administration, commerce and transport (UN/EDIFACT). The conclusions of the third meeting of the Latin American Trade Points held in Santiago, Chile in April 1996, were presented and a general discussion took place on the latest development in setting up and operating Trade Points worldwide.

60. The secretariat's two African Regional coordinators went to Botswana, Burkina Faso, Cameroon, Côte d' Ivoire, Namibia, South Africa and Zimbabwe to assist in the installation of Trade Point services.

61. The TPDC created a help desk specifically for the ETOs, a browser for ETO users, a CD-Rom interface of which 5,000 copies were distributed at Midrand and an ETO Tagger software in Java script.

62. The secretariat also participated in the fourth Inter-American Trade Point Meeting, held in Lima (Peru) from 26 to 28 November 1996, where Trade Point representatives from North, Central and South America, and the Caribbean founded the Inter-American Trade Point Forum. Its main objective is to strengthen the Trade Point Network on the continent through regional cooperation and mutual assistance.

63. Activities for countries with economies in transition were also carried out this year. A feasibility study on preparing Hungary's participation in UNCTAD's Trade Point Programme was done. There were preparatory missions to Bulgaria, Romania and the Russian Federation to present the Trade Point concept, assess the feasibility of setting up a Trade Point and collect the information to prepare project documents.

H. Commission on Enterprise, Business Facilitation and Development, First session, January 1997

64. The agreed conclusions on services infrastructure for development and trade efficiency assessment (TD/B/44/2-TD/B/COM.3/4, annex II) include the following relevant text:

- *Paragraph 6*: "The Commission requests the secretariat to solicit contributions [for the purpose of expanding the Trade Point Programme]. It requests the secretariat to provide as early as possible an evaluation of the Trade Point Programme - including the extent of the inter-operability of Trade Points ..."

- *Paragraph 7*: "the Commission requests the secretariat to produce an information note on the basis of a cost-benefit analysis of practical ways and means to ensure the legal protection of the Trade Points and the Global Trade Point Network names and logos."

Action

65. At the first session of the commission the secretariat prepared an informal document entitled "Trade Point Programme, Fourth Assessment" that was made available to all the participants. This document presented the progress report made by the Trade Point Programme regarding (a) strengthening the foundations of and developing practical guidelines for the Global Trade Point Network (GTPNet); (b) the expansion of GTPNet; and (c) technical developments on the GTPNet.

66. The secretariat presented for funding a project proposal "Legal aspects related to Trade Points" to the Government of Netherlands, which was approved and endorsed. The related activities started at the end of 1997.

67. In conjunction with ESCAP, the TPDC organized in Bangkok from 21 to 23 May 1997 a Conference on Information Technologies and Electronic Trading in the Asia-Pacific Region. The main topics were global electronic trading and their technologies, and the role of Government and the private sector in the Trade Point Programme.

68. Various consultants from different regions were recruited to foster the interregional cooperation among Trade Points and to train them to use the GTPNet tools and software developed by the TPDC.

69. Secretariat officials went to: the OECD secretariat in Paris to promote the Trade Point concept; to Senegal to participate in the creation of the French and Portuguese speaking Trade Point Foru ı at the initiative of Trade Point Dakar; and to Harare to assist at the second meeting of the southern and eastern African countries meeting.

70. Regional coordinators went to Romania to finalize the project document. At the request of the Government, they visited Slovakia to assist in the selection of the hosting institution and then to the Russian Federation to follow up on the establishment of Trade Points in various cities.

71. The secretariat participated in the fifth Inter-American Trade Point Meeting that took place from 5 to 7 November 1997 in Mexico City. The discussion focused on the status of the Inter-American Trade Point Forum and the establishment of the steering committee.

I. Trade and Development Board , October 1997

72. At its forty-fourth session held from 13 to 23 October 1997, the Trade and Development Board decided that there should be an in-depth evaluation of the Global Trade Point Network [decision 444(XLIV): Review of technical cooperation activities of UNCTAD].

Action

73. In response to this request, an independent evaluation team was engaged by the UNCTAD secretariat to prepare the study.

J. Commission on Enterprise, Business Facilitation and Development, Second Session, December 1997

74. The agreed conclusions on services infrastructure for development and trade efficiency assessment (TD/B/45/3-TD/B/COM.3/11, annex II) include the following relevant text:

- *Paragraph 18:* "A rapid external evaluation of the Trade Point Programme should be carried out as soon as possible."

- *Paragraph 19*: "Governments should take appropriate measures to protect the names and logos used by the Trade Point Programme at the national level, with the assistance of UNCTAD."

- *Paragraph 20(i)*: the Commission requests the secretariat to "continue its efforts to enable [Trade Points] to achieve financial self-sustainability."

- *Paragraph 20(iii)*: the Commission requests the secretariat to "pursue its cooperation with non-governmental actors, especially in the area of electronic commerce, which will be a central item of the first meeting of Partners for Development, to be held in Lyon, France, from 9 to 13 November 1998".

- *Paragraph 20(v)*: "The Commission ... welcomes the efforts by the secretariat to promote the establishment and functioning of Trade Points in Africa."

- *Paragraph 20(vi)*: "UNCTAD should integrate new information technologies into its work to avoid being outpaced by developments in this field."

Action

75. The secretariat carried out a survey of the GTPNet by sending a questionnaire to all operational Trade Points in order to establish an indication of the general trends and characteristics of the Trade Points. The 1997 issue of the Trade Point Review was published in September 1997 (UNCTAD/SDTE/Misc.1).

76. The TPDC organized in Melbourne a meeting on secure infrastructure for electronic commerce from 30 to 31 October 1997. Issues covered included introduction of the transactional phase of the GTPNet, establishment of secure payments within the GTPNet, and a security model and network topology.

77. There was a mission to Chisinau (Moldova) to present the Trade Point Programme and to discuss the practical aspects of the establishment of Trade Points.

78. Trade Point Addis Ababa and Khartoum were visited by the secretariat to follow up on the establishment of the Trade Points.

79. In March 1998, the secretariat was invited to Venezuela to evaluate the feasibility of establishing a Trade Point in Ciudad Guayana. On the return from Venezuela, Trade Point Curaçao financed a one-day mission to discuss the Trade Point and its possible restructuring.

80. The regional coordinators visited Bulgaria, Czech Republic, Hungary, Poland and Romania for following up the development of the Trade Points in each country and to discuss the new software for secure Internet access proposed by Trade Point Bucharest.

81. In June 1998, UNDP invited the secretariat to participate in a round table for donors to finance projects in Jamaica, where a component on Trade Points was presented.

82. The legal advisor to the Trade Point Programme collected the statutes of 45 Trade Points for analysis and comparison to establish common guidelines and examples of recommended practices at the national level. Assistance in the establishment of a legal entity was provided to both new Trade Points and to those who wanted to become operational. Model statutes were drafted which could serve as guidelines for future Trade Points.

K. Outcome of the Mid-Term Review, adopted by the Trade and Development Board at its eighteenth executive session, 10 July 1998

83. The only specific recommendation is in paragraph 36, which states that "the sustainability of the Trade Point Programme and Trade Points should be enhanced, particularly in respect of training, operability and interoperability, as may be recognized at the forthcoming evaluation of the programme".

Action

84. The secretariat participated in the third regional meeting of the Southern and Eastern African Trade Points held in Harare on 1 to 2 June 1998, to discuss new modalities for cooperation among Trade Points and assist in the creation of a regional forum.

85. At the first UNCTAD/UNDP Arab Regional Work Shop on Electronic Commerce, held in Cairo (Egypt) from 26 to 28 September 1998, which was initiated at the request of the Egyptian Government and coorganized by UNCTAD, Trade Point Cairo contributed significantly to the success of the meeting.

86. The secretariat participated in a regional meeting of Trade Points in the Asian Pacific Region held in Bangkok from 28 September to 2 October 1998 to discuss the possibility of creating an Asian Pacific Trade Point Forum.

87. Two consultants gave a two-week training course in Zambia and another in Ethiopia on web page design and publishing.

88. Following a training course on web design, Trade Point Bucharest developed its own web page. Project funds were allocated to software development in order to protect information on the Internet and introduce a firewall, and equipment was purchased and configured. The Trade Point was connected to the GTPNet and has produced catalogues for local companies. Marketing material was produced locally.

L. Partners for Development, Lyon (France) 9 to 12 November 1998

89. The Lyon meeting held in November 1998 was the first one organized to explore possibilities of direct cooperation between UNCTAD and civil society to support development.

Action

90. UNCTAD organized the fifth World Trade Point meeting, which took place in Lyon from 10 to 13 November 1998. A frank exchange of opinions took place on all the topics discussed during the different sessions of the meeting.

91. The 1998 issue of the Trade Point review published in English and French in September 1998 (UNCTAD/SDTE/Misc.7) covered the latest development in electronic commerce and Trade Points. The Trade Point Kit (UNCTAD/SDTE/Misc.5) was published in the six official languages. The kit presents instructions for establishing a Trade Point.

92. The fifth world Trade Point meeting, held at the same time as the Lyon summit, was financed by extrabudgetary funds. Eleven Trade Point directors/coordinators from African countries (Benin, Burkina Faso, Ethiopia, Lesotho, Malawi, Mauritania, Senegal, the United Republic of Tanzania, Uganda, Zambia and Zimbabwe), eight Arab Trade Point representatives and three from Eastern European countries attended.

93. A Trade Point information technology expert visited the United Arab Emirates (Dubai and Abu Dhabi), Jordan and Lebanon and was instrumental, in identifying host institutions for Trade Points in those countries among others things. After preparation for a follow-up in beneficiary countries, a consultant on Trade Point development went on mission to Trade Points being established in Lebanon, Jordan and Palestine.

94. The secretariat decided to start the progressive return to Geneva of all the activities carried out by the TPDC in Melbourne.

M. Commission on Enterprise, Business Facilitation and Development, Third session, November 1998

95. The topic covered by this commission was electronic commerce and human resources development.

96. In the agreed conclusions on services infrastructure for development and trade efficiency assessment (TD/B/45/15-TD/B/COM.3/20) adopted by the Trade and Development Board at its third session, 14 December 1998, only paragraph 35 refers to the Trade Point Programme: "... the commission reserves its conclusions for its next session in the light of the ongoing discussion on the in-depth review of that programme in the working party on the medium term plan and the programme budget".

97. The results of the external evaluation (see documents TD/B/WP/110 and TD/B/WP/110/Add.1), were presented to the thirty-second session of the Working Party on the Medium-term Plan and the Programme Budget on 14 December 1998 and discussed at length.

Action

98. The secretariat visited Trade Point Bucharest on several occasions: 3 to 4 August 1998 to discuss the launching of Trade Point Bucharest; 14 to 15 September 1998 to attend the official inauguration of the Trade Point; 14 to 16 December 1998 to monitor the progress of the Trade Point; and 15 to 16 May 1999 to discuss legal issues related to the implementation of Trade Point Bucharest.

99. The secretariat and the legal advisor participated actively in the annual "Inter-American Trade Point Forum" meeting held in Porto Alegre, Brazil from 6 to 10 April 1999.

100. Legal assistance was provided to the forum of the French and Portuguese speaking countries in Africa and to Asian countries.

101. In response to paragraph 10 of the agreed conclusions of the Working Party adopted at its 33rd session, the Secretary-General of UNCTAD convened a meeting, from 26 to 28 May 1999 in Geneva, that involved Trade Point managers, end-users and Government experts acting in their personal capacity. The meeting was held to advise the Secretary-General on the proposals to be made by the secretariat, with respect to the implementation of the recommendations contained in the evaluation report, and also on future actions aimed at

enhancing programme delivery, especially with regard to the assistance for the Trade Points. The outcome of their consideration is contained in document TD/B/COM.3/24.

102. An information technology expert held several meetings with national government officials, private-sector representatives and individuals, with a view to identifying the most suitable institution to host the Ramallah Trade Point as well as to assess the possibilities of creating a Trade Point web page and promoting the Trade Point to local companies. In Jordan and Lebanon, the expert assessed the marketing of trade information/trade transaction services, designed the services that Trade Points should provide and prepared strategic plans for making Trade Points fully operational. Two consultants on electronic commerce and information technology went to Tunisia and Cairo to assess the technical, legal, commercial and service conditions needed for the Trade Points to conduct electronic commerce activities.

103. By a decision of the Government, the original host institution of the Trade Point in Bulgaria was changed, and it is now hosted by the Ministry of Trade and Tourism. The secretariat organized a mission to Sofia to clarify the future of the Trade Point project with the relevant authorities.

104. An expert in information technology had two Trade Point missions to Addis Ababa to assist in adapting services for local SMEs and to ensure that the Trade Point was fully connected to the GTPNet. With extrabudgetary resources Trade Point Palestine Ramallah accomplished the following: purchased equipment, paid for telecommunication costs and office supplies, hired for a six-month period a Trade Point Manager and created, designed and maintained their web site. The activities for Trade Point Casablanca included financing of an expert in information technologies for two missions to the Trade Point. The purpose of the missions was to improve the Trade Point web site, provide on-the-job training for the Trade Point staff, to design a system for collection of local ETOs and to disseminate incoming ETOs in Morocco. Another activity was to evaluate the situation in the marketing of Trade Point services and to design services to be provided by Trade Point Casablanca, including pricing policy and marketing strategy.

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Working Party on the Medium-Term Plan
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Thirty-fourth session
27 September – 1 October 1999
Item 4(b) of the provisional agenda

FOLLOW-UP TO THE EVALUATION OF THE TRADE POINT PROGRAMME

ACTIVITIES UNDERTAKEN BY THE SECRETARIAT TO IMPLEMENT VARIOUS MANDATES ENTRUSTED TO IT FOR THE TRADE POINT PROGRAMME SINCE ITS INCEPTION

Corrigendum

Para 13, line 3
replace TD/B/WG 2/4 by TD/B/WG 2/7 Add 1

Para 96, lines 2 and 3
replace Trade and Development Board by the Commission on Enterprise, Business Facilitation and Development

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Item 4(b) of the provisional agenda

FOLLOW-UP TO THE EVALUATION OF THE TRADE POINT PROGRAMME:

FOLLOW-UP ACTION PURSUANT TO THE RECOMMENDATIONS IN THE EVALUATION AND IMPLEMENTATION OF THE AGREED CONCLUSIONS OF THE THIRTY-THIRD SESSION OF THE WORKING PARTY

I. Follow-up action pursuant to the recommendations in the evaluation

Recommendations contained in the in-depth evaluation report (TD/B/WP/110)	Member States' views on the recommendations expressed at the Working Party, as recorded in the Chairman's summary (TD/B/WP/115)	Follow-up actions
25. ***Recommendation - Develop a Global Trade Point Network knowledge management framework*** - More effective knowledge management within the Global Trade Point Network is essential if Trade Points are to collectively exploit global information resources for the benefit of their clientele. UNCTAD and the ITC should consider a much broader role in knowledge management within the Global Trade Point Network, for at this stage the network lacks the centralized resources to set up and administer an effective knowledge management framework. In addition, the	Paragraph 25. Most delegations agreed with the evaluation team that a knowledge management framework was one of the most important recommendations for the UNCTAD secretariat to implement, as it would address the concerns of many countries with respect to the lack of information flows. Concern was expressed by several delegations, however, with regard to the cost of implementation. Having been informed that it would greatly	Initial steps towards the renovation of the Global Trade Point Network (GTPNet) have been taken within existing regular budget resources. It will host three types of information services: (i) trade-related information originating from individual Trade Points; (ii) an open area for information exchange among all participants which will

secretariat could utilize knowledge management applications to share information and experience internally and with the Trade Points.	depend on the size of the system, ranging from US$ 500,000 to several million, these delegations requested the secretariat to come up with a concrete proposal with a clear indication of resource requirements. Some delegations suggested that, given the importance of this recommendation in addressing the one real concern of the Trade Points, the work could begin gradually.	include a knowledge management database; and (iii) general information, which will be maintained by the central team (see TD/B/WP/120 for more details).
31. **Recommendation - Simplify the Trade Point certification requirements** - The requirements for establishing a Trade Point should be relaxed to take into account differing legal environments in member States and to allow existing trade promotion or facilitation organizations or private sector entities to join the Global Trade Point Network more easily. In particular, the requirement for a separate association or legal entity for Trade Points should be eliminated or waived in the case of existing organizations with a track record in providing trade information or facilitation services.	Paragraphs 31, 32. Many delegations supported the recommendations regarding simplification in the certification of Trade Points. One delegation attached particular importance to this recommendation.	Following the positive experience from a pilot implementation of relaxed certification requirements, the simplified criteria were extended to all Trade Points. In addition to separate legal entities, Trade Points can now be established within existing organizations with a track record in providing trade information or trade facilitation services. The simplified procedure has allowed a number of well-functioning Trade Points to be formally recognized as operational and has met with positive feedback from the Trade Point community.
32. **Recommendation - Increase national Governments' responsibility for certifying Trade Points** - National authorities should be more closely associated with the UNCTAD secretariat responsibility in respect of the field of certification. National Governments, particularly those which are actively involved in promoting trade efficiency, should be granted the option to independently certify Trade Points in the absence of a national or regional Trade Point federation. While it would be preferable to have a Trade Point federation assume this role, this measure would help to reduce the administrative burden on the secretariat and ensure the continued engagement of the Government with respect to the Trade Point Programme.		Interested Governments have always been associated with the process of development and evaluation of Trade Points in their countries. UNCTAD is fully prepared to discuss modalities of government involvement in Trade Point certification with any Government wishing to do so.
33. **Recommendation - Focus federation establishment efforts at the regional level** - Given the present stage of the Global Trade Point Network's evolution and its resource limits, the development of a world federation of Trade Points will be difficult to accomplish but should remain an	Paragraphs 34, 35. Some delegations felt that setting up Trade Point federations could increase bureaucracy and that the role of the UNCTAD secretariat vis-à-vis such federations was not clear. Other delegations cited the	Conditions are not yet in place for the creation of a worldwide federation of Trade Points. In the meantime UNCTAD has been providing all necessary support to Trade Points

ultimate goal. Efforts should therefore be concentrated on building regional federations/associations, with a view to eventually creating a world body when conditions permit. In the meantime, the Commission on Enterprise, Business Facilitation and Development and related expert meetings should act as a coordinating mechanism.	positive experience of regional federations in Latin America and the Caribbean. Several delegations agreed with the recommendation that, at this stage, the effort should be aimed at establishing regional federations and servicing regional needs, rather than attempting to establish a global federation.	which feel the need to associate themselves on a regional basis. As of now, the Inter-American Trade Point Forum has been formally established and the process is under way in Asia and Pacific, the Arab/Mediterranean region, English-speaking African countries, and French- and Portuguese-speaking Africa.
38. **Recommendations - Pursue the development of a next-generation ETO system which provides qualified trade opportunities** - Depending on the direction taken with respect to the SEAL initiative (see below), the secretariat should continue to pursue the development of an upgraded ETO system. The Secure ETO system (SETO), which requires registration of the organization issuing ETOs with Trade Points (and other certification authorities if operated within the SEAL infrastructure) would offer a much higher quality of trade opportunities and should be pursued. The ultimate configuration should be standards-based, utilize structured data formats and otherwise conform to the Global Trade Point Network's principles of interoperability. SETO should operate in parallel with the current ETO system, although the new service should be fee-based in order to provide a source of potential revenue for participating Trade Points and other agents. Another, less sophisticated, alternative would involve establishing a parallel ETO system, using structured formats, where issuance of new ETOs would be restricted to Trade Points, which would presumably charge for the uploading of trade opportunities to this new, more exclusive system. This would require developing standards (Trade Point federation or UNCTAD secretariat) to qualify the trade opportunities before they are sent to the central processing hub.	Paragraph 38. Several delegations stated that the ETO system was a very important and useful component of the Trade Points in their countries, and supported the recommendation. Some other delegations considered that UNCTAD had neither the mandate nor the capacity to develop or upgrade the ETO system. They considered that ETOs should be better dealt with by the private sector and possibly ITC.	The renovated GTPNet will also host the next-generation ETO system. Its design will be based on the conclusions resulting from the discussions of the Trade Point managers, end users of Trade Points and government representatives at their meeting on 26 to 28 may 1999 in Geneva (see TD/B/COM.3/24).
47. **Recommendation** - While commercial vendors (Verisign, Entrust, Microsoft, IBM, Netscape, TradeWave, Xcert, etc.) and service providers (Deloitte & Touche's NetDox, GTE Cybertrust, etc.) are currently beginning to dominate the market, there is no co-ordinating body to help consolidate the market in terms of standards, regulation and legal issues, cross-certification, and education. We do not see the United Nations as an implementation and execution agency dealing directly with certificates. We	Para graph 47. There was consensus the work on SEAL should be interrupted. One delegation indicated that it was not ready to accept any recommendation relating to SEAL.	At the thirty-second session of the Working Party it was decided that the work on SEAL should be interrupted (see TD/B/WP/115, chap. I).

see the United Nations as a public organization setting and managing standards. Operation of the infrastructure should be left to the private sector. We suggest that a discussion be held between member States to assess the best modalities for establishing standards in such a field. 48. It has to be taken into account that there is a strong need to search for solutions for secure electronic commerce and the SEAL initiative could facilitate its advent, but at present there is no mandate from member States. It would therefore be recommendable for Governments to consider this matter in the relevant policy-making bodies of the United Nations		
52. **Recommendation** - The trade efficiency assessment process, which is to be implemented on a voluntary basis, should be encouraged to provide means of measuring trade efficiency and its evolution in time. Expert meeting(s), with the participation of Trade Point representatives, could be held to propose decisions on issues raised by the present evaluation, in particular on the following topics: - The secretariat's role and mandate; - The role of Governments and the need to review the text of Columbus; - The content and modalities of technical assistance to be provided to Trade Points.	Paragraph 52. Some delegations supported the recommendation for an expert meeting so as to cover the more technical aspects. Some other delegations opposed this on the grounds that it was not for an expert meeting to discuss the mandate of the secretariat, that the Working Party could not have an expert meeting shoulder its responsibility for programme questions, or that an expert meeting should discuss broader substantive issues rather than technical cooperation provided by the programme. Several delegations supported the proposal of one delegation for an ad hoc expert group of the Secretary-General of UNCTAD or some other similar mechanism.	This recommendation is addressed to the member States, rather than the secretariat.
53. As planned in 1993, the financial consequences for the UNCTAD secretariat of Programme implementation should be more systematically assessed and the relevant recommendations brought to the Working Party.	Paragraph 53. Some delegations indicated that, while this paragraph was not under the heading "Recommendations", its content was important and needed to be taken into account by the secretariat.	The financial consequences for the UNCTAD secretariat of Programme implementation are addressed in the Trade Point Programme strategy, which is submitted for consideration by the Working Party (see TD/B/WP/120).
56. **Recommendation - Develop standardized technical assistance packages for Trade Points under development and set preconditions for such assistance** - The example of the training courses developed for the Romanian Trade Point should be pursued and enable the development of a comprehensive training package/[illegible]ate or [illegible]	Paragraph 56. Most delegations considered the recommendation to enhance technical assistance as very important and fundamental. One delegation suggested that other models of technical assistance or training could also be looked into. While some delegations would have liked to	The training courses developed for the Romanian Trade Point have been delivered also to Trade Points in Ethiopia and Zambia.

of existing training materials. The following topics have been identified as priority areas: - Developing and managing the Trade Point WWW site - Electronic commerce fundamentals; - Developing online product catalogues, including a survey of currently available software for creating and commerce-enabling online catalogues; - Developing trade information services, building on current ITC training capabilities.	this paragraph extended not only to Trade Points in the development stage but also to those in operation; another delegation felt that some prioritization might be necessary and the needs of Trade Points in operation could be better addressed by such measures as those recommended in paragraphs 60 and 62. Some delegations could not support the recommendation to establish preconditions for technical assistance as contained in paragraph 58, while some other delegations supported it.	
57. Clearer lines between the respective roles of UNCTAD and ITC should be drawn regarding Trade Point Programme implementation.	In the context of the recommendations in paragraphs 56, 57 and 60, reinforced cooperation between UNCTAD and ITC was called for. Delegations noted the evaluation of the ITC programme on trade information; there had been consultations between UNCTAD and ITC on both evaluations, including meetings between the UNCTAD evaluation team and the ITC evaluator, and the ITC evaluation would be discussed at a separate meeting convened by ITC later in the year. Several delegations indicated that the two secretariats should better delineate their respective areas of activity so as to avoid duplication, in line with the recommendation contained in paragraph 57.	UNCTAD and ITC cooperate closely in the delivery of technical assistance to Trade Points. All activities relating to Trade Points are the subject of consultations between the two agencies and, whenever the expertise of both is needed, activities are conducted jointly, with clearly divided lines of responsibilities.
58. Preconditions should be established for providing technical assistance to a specific Trade Point. These might include co-financing by the host Government or a commitment by the host Government or a private sector sponsor to assist in funding the Trade Point operation during an initial period of operation. Any distance learning courses developed could reside within the Global Trade Point Network virtual Intranet described previously in this report.		In all donor-funded technical cooperation projects executed by UNCTAD and addressed to specific Trade Points, a contribution by the beneficiary is a rule. As a result, the host Government or the private sector sponsor co-finances or provides in-kind contributions for the establishment and operation of the Trade Point.
60. **Recommendations - Added value services for clients:** Reliable trade data is the main concern of ITC, and verification, especially done remotely, is very expensive. Here Trade Points could play an active role in collecting, verifying and feeding back data into various trade information databases. For example, ITC is issuing voluminous weekly reports (e.g. world market commodities price information) which are also subscribed to by Trade Point customers. An added value service and sustainable source of revenue for Trade Points could be to customize these reports for their clients. These clients in turn would be charged less (than for the whole	Paragraph 60. Some delegations considered the recommendation on added-value trade information services important or interesting in terms of its potential for revenue creation. Some others expressed reservations, considering that the recommendation was too ambitious and too expensive. A member of the evaluation team pointed out that this recommendation needed to be read in conjunction with the outcome of the ITC evaluation on	This recommendation is addressed to the individual Trade Points, rather than to UNCTAD's Trade Point programme.

bundle) and would, in addition, receive information specifically tailored to their needs. However, this service is very human resource intensive and would require pre-investments that not all Trade Points can afford.	trade information.	
62 **Recommendation - Assist in negotiating with private sector providers of fee-based trade information services**, such as product market research, country risk analysis and company credit reports - either for internal use or for resale to Trade Point clients. Although the secretariat cannot directly negotiate such agreements, it should be possible to work initially with a small group of interested Trade Points (for example, a regional Trade Point federation) to develop pilot agreements which other Trade Points could sign on to in the future. Individual Trade Points have already successfully negotiated re-marketing contracts with information providers such as Dun & Bradstreet and the Economist Group, and a larger grouping of Trade Points should therefore be able to obtain finer pricing by virtue of their greater potential purchase volumes.	Paragraph 62. Some delegations expressed doubt as to whether an intergovernmental organization should conduct negotiations with the private sector on behalf of Trade Points. One delegation pointed out that, aside from this general reservation, if anything it appeared more appropriate for ITC rather than for UNCTAD to engage in such an activity. Other delegations considered such activities as useful and recalled that UNCTAD undertook similar activities elsewhere (RBPs). The representative of ITC explained that ITC did not negotiate on behalf of Trade Points but only assisted them in such negotiations.	UNCTAD is waiting for UN Headquarters to provide guidelines in this area which will be applicable to the UN as a whole.
64. **Recommendation in addressing running costs** - The Global Trade Point Network should facilitate the exchange of experience between Trade Points (e.g. in pricing for their services). Moreover, Trade Points could be assisted in the budget planning process, which would then attract public or private support more easily. The secretariat should also develop guidelines for Trade Points to follow in preparing proposals to the local offices of donor agencies. Many Trade Points have successfully attracted funding from related donor programmes within their countries, though a more structured methodology, based on the UNCTAD secretariat's extensive experience, would be likely to contribute to an increased success rate for such locally generated proposals. These guidelines could reside within the Virtual Global Trade Point Network Intranet described earlier in this report. 65. **Recommendation in addressing technical assistance needs** - The UNCTAD secretariat should intensify its coordinating role in this field with the identification of (common) needs and assistance for finding the appropriate executing organization. As a consequence, it should continue to take the lead in generating awareness of the Trade	Paragraphs 64, 65. Several delegations supported the recommendations on assistance on budget planning and in fund raising. Other delegations considered that Trade Points should be commercially viable and therefore that such activities should be left to their initiative and to the support provided by the private sector. One delegation questioned the usefulness of a newsletter. Another delegation wished to have a recommendation, or a conclusion by the Working Party, to call for increased financial support for Trade Points by the international community.	The renovated GTPNet will, in its general section, include guidelines for the preparation of project documents, outlining a standard structure and giving examples of possible definitions of activities, as well as formulation of other elements of information required by donors. For this purpose, the logical framework approach will be used. The next newsletter on programme activities and developments will be circulated to Trade Points and missions in Geneva in October 1999.

international agencies. A quarterly newsletter, available on paper and via e-mail, would be one way to increase the Programme's visibility.		

67 **Recommendation - Finance further sustainable development of the Trade Point Network**, for which we suggest a close partnership with industry: the UNCTAD secretariat should specify the functionality of Trade Point e-commerce software (e.g. ETO filtering software) and put together a software reference implementation (ideally based on public-domain software). Software companies should be encouraged to build commercial versions of these software applications. Financial institutions should provide digital payment services to the Trade Point Network. Consulting companies could provide assistance in setting up the infrastructure, in training users, etc. 68 **Recommendation - Develop a standard approach to analysing and reporting on new trade-related products and services** - UN agencies could be instrumental in centralizing and disseminating information on existing products and services, to enable Trade Points or member States to assess the benefits and implications of these products or services. Types of initiatives that should be assessed include: • Products and services designed to enhance the trade efficiency of various elements of the international trade process or to offer new approaches to the delivery of trade-related services. Annex 6 provides a summary of two relevant initiatives: (1) Project Bolero, which is a private sector initiative involving SWIFT to create a paperless ocean bill of lading; and (2) TradeCard, an import financing facility for small companies developed by the World Trade Centres Association, which also features the capability to electronically transmit the documents required to consummate the transaction. • Over the past years various Trade Points have developed several trade information and facilitation services and software. The Global Trade Point Network should be used more extensively as a means of marketing for these products.	Paragraphs 67 and 68. Some delegations expressed strong reservations on a possible role for the secretariat as a bridge between the private sector and the Trade Points on technological developments and considered that Trade Points themselves should enhance cooperation with industry. Other delegations stressed that, while the ultimate aim would be to achieve self-sustainability, Trade Points in developing countries still needed UNCTAD's assistance in this area.	The Trade Point programme staff monitors technological advances in the area of e-commerce, including suitable products available on the market. Relevant information will be brought to the attention of Trade Points and interested Governments through the open and shared area of the renovated GTPNet. In the area of the renovated GTPNet, which is reserved for information originating from Trade Points, they can place information about tools and systems developed by individual Trade Points with conditions/prices for dissemination.

70. **Recommendation** - Following any suggested expert meeting, which may specify the future UNCTAD secretariat role and mandate, it is likely that the secretariat will have to adapt the expertise of its technical staff in trade and electronic commerce and reorganize the management of the enlarged staff along functional lines. 71. If the development of the SEAL initiative is pursued (mandated by member States), the UNCTAD secretariat will also have to reinforce its technical expertise in the field of electronic commerce. Although the Evaluation Team is aware that UNCTAD secretariat resources are limited, at the same time there is evidence of a large volume of unmet requests for assistance from the 100+ Trade Points in the development phase - particularly those in least developed countries. 72. The management of the Trade Point Programme should be organized into three functional areas, including: • Trade Point Programme "marketing" for the development of Trade Points, including donor relations and activities related to Partners for Development (private sector); • Trade Point management and administration of central services for the Trade Point Network (e.g. WWW sites, Listservs, certification); • Research and development on trade efficiency and electronic commerce in support of the intergovernmental debate.	Paragraphs 70, 71 and 72: Several delegations recalled their position that the work on SEAL should be interrupted. Delegations suggested that UNCTAD conduct research and analysis on electronic commerce issues related to development. A few delegations pointed out that UNCTAD should not be engaged in "research and development" (para. 72) but rather in "research and analysis".	Recruitment of a technical specialist to reinforce the Trade Point team is under way. Since November 1998, responsibility for the technical aspects of the Trade Point Programme has been assigned to a regular UNCTAD staff member based in Geneva. In April 1999 the same staff member was assigned full responsibility for all aspects of the programme. The setting-up of a more detailed structure of the Trade Point Programme is pending the filling of the currently vacant posts.

2. Implementation of the agreed conclusions of the thirty-third session of the working party

The proposed strategy for the Trade Point Programme contained in document TD/B/WP/120 also responds to the provisions of paragraph 11 of the agreed conclusions.